佐丹奴國際有限公司 一九九六年年報

GIORDANO INTERNATIONAL LIMITED ANNUAL REPORT 1996

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WORLD OF PARADOXES

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財務摘要 FINANCIAL HIGHLIGHTS

(以千港元為單位) *(Amounts expressed in HK$'000)*

		綜合 Consolidated				
		1996	1995	1994	1993	1992
營業額	Turnover	**3,522,047**	3,481,967	2,863,726	2,334,135	1,661,364
營業額增長 *(%)*	Turnover increase *(%)*	**1.2**	21.6	22.7	40.5	42.0
除稅及少數股東權益後溢利	Profit after tax and minority interests	**261,233**	250,228	195,347	137,632	115,091
除稅及少數股東權益後溢利增長 *(%)*	Profit after tax and minority interests increase *(%)*	**4.4**	28.1	41.9	19.6	35.2
股東資金	Shareholders' funds	**1,138,267**	911,739	544,521	454,697	361,677
營運資金	Working capital	**670,274**	495,997	361,952	297,379	238,905
總負債對股值比率	Total debt to equity ratio	**0.4**	0.7	0.9	0.8	1.1
銀行借貸對股值比率	Bank borrowings to equity ratio	**0**	0	0.1	0.1	0
流動比率	Current ratio	**2.6**	1.9	1.8	1.8	1.6
存貨可供銷售 *(日數)*	Inventory turnover on sales *(days)*	**58**	55	53	59	86
總資產回報率 *(%)*	Return on total assets *(%)*	**16.5**	16.4	18.8	16.7	15.4
平均股值回報率 *(%)*	Return on average equity *(%)*	**25.5**	34.4	39.1	33.7	35.7
銷售回報率 *(%)*	Return on sales *(%)*	**7.4**	7.2	6.8	5.9	6.9
每股盈利 *(仙)*	Earnings per share *(cents)*	**36.9**	38.8	30.9	22.0	19.0
每股現金股息 *(仙)*	Cash dividend per share *(cents)*	**16.0**	13.5	11.0	9.0	7.5

業務摘要
(除特別註明外，概為於年底之數字)

OPERATION HIGHLIGHTS
(Figures as at year end unless specified)

		1996	1995	1994	1993	1992
直接由本集團管理之零售門市數目	Number of retail outlets directly managed by the Group	**294**	280	283	257	191
零售門市總數	Total number of retail outlets	**515**	451	360	278	203
直接由本集團管理之零售門市面積 (平方呎)	Retail floor area directly managed by the Group *(sq. ft.)*	**295,500**	286,200	282,700	209,500	139,500
每平方呎銷售額 (港元) (附註1)	Sales per square foot *(HK$) (Note 1)*	**9,900**	10,500	10,600	12,600	12,200
僱員數目	Number of employees	**10,004**	10,348	6,863	2,330	2,104
可比較門市之銷售額 (減少)／增長 (%) (附註2)	Comparable store sales (decrease)/increase *(%) (Note 2)*	**(6)**	8	(9)	15	25
售貨員數目	Number of sales associates	**1,958**	2,069	1,928	1,502	1,207

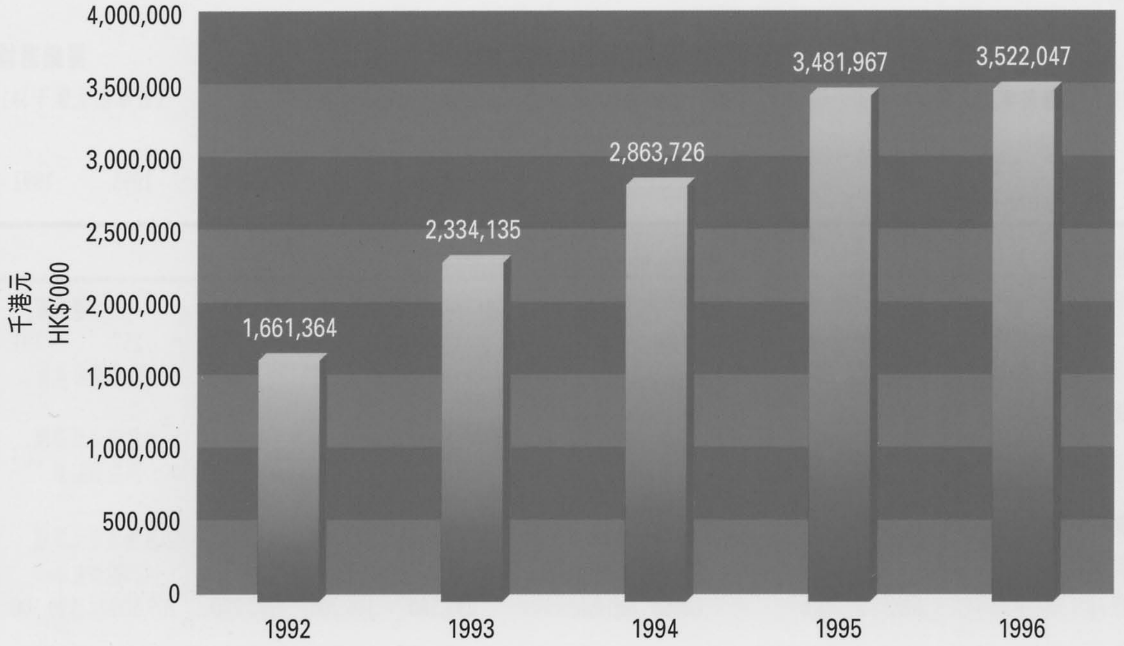
附註：

1. *按加權平均基準計算。*
2. *指於兩年作比較之財政年度內均開業十二個月之銷售點。*

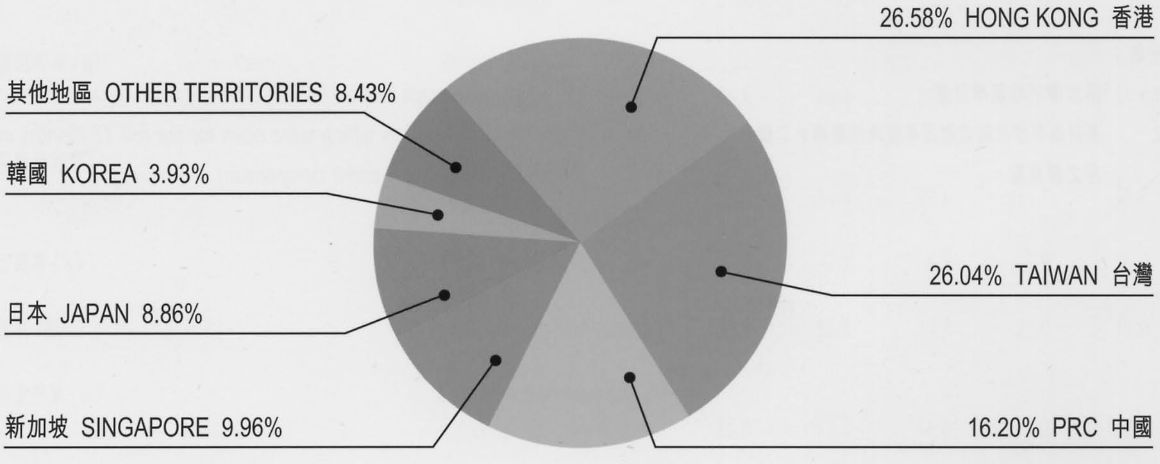
Notes:

1. *On weighted average basis.*
2. *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison.*

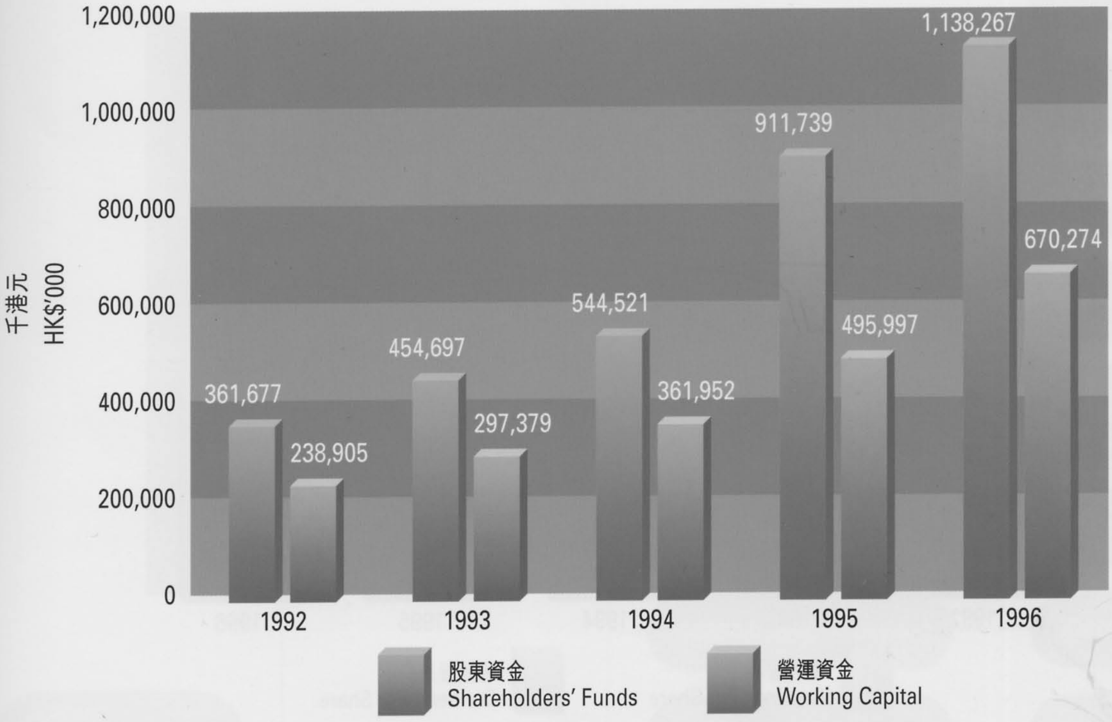
營業額
TURNOVER



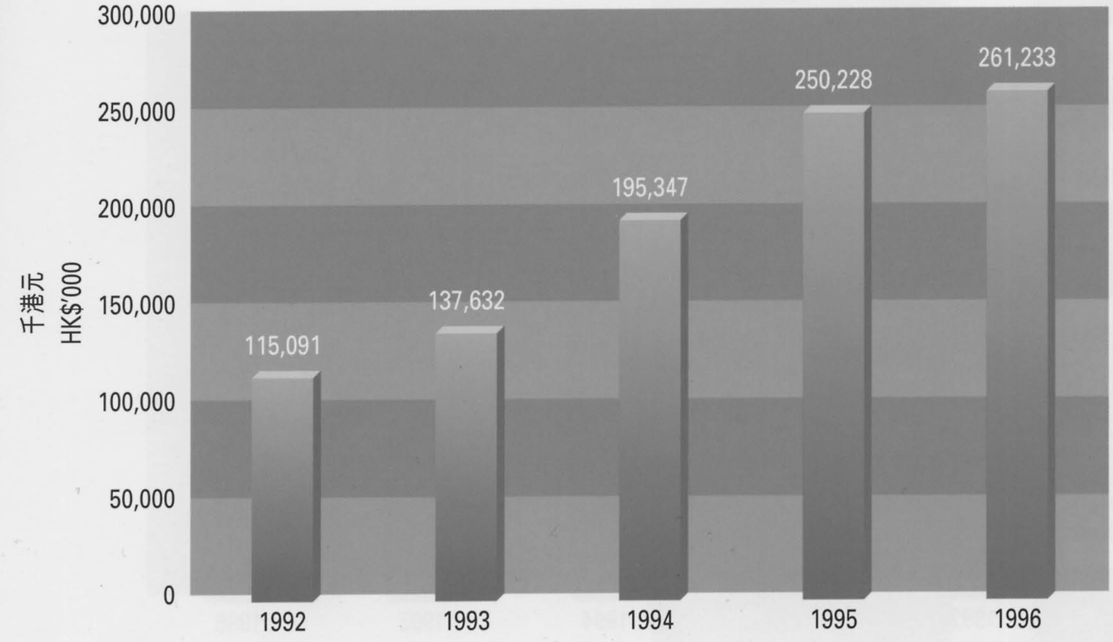
截至一九九六年十二月三十一日止年度集團各地方的營業額 (%)
GROUP'S TURNOVER BY TERRITORIES FOR THE YEAR ENDED 31ST DECEMBER, 1996 (%)



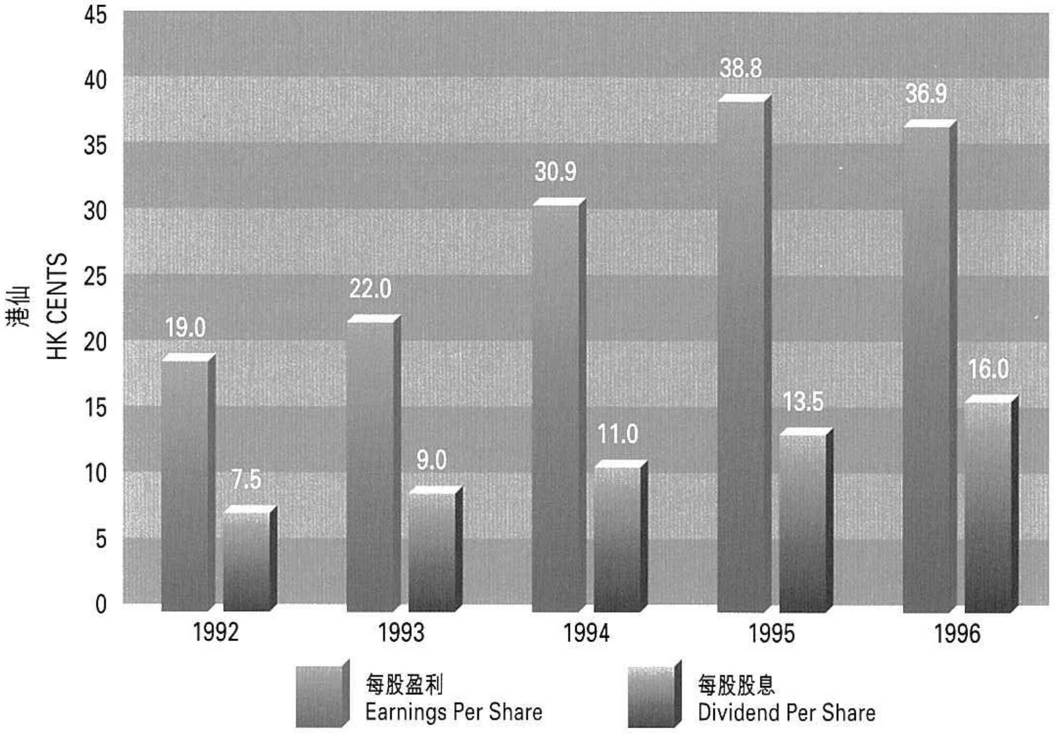
股東資金及營運資金
SHAREHOLDERS' FUNDS & WORKING CAPITAL



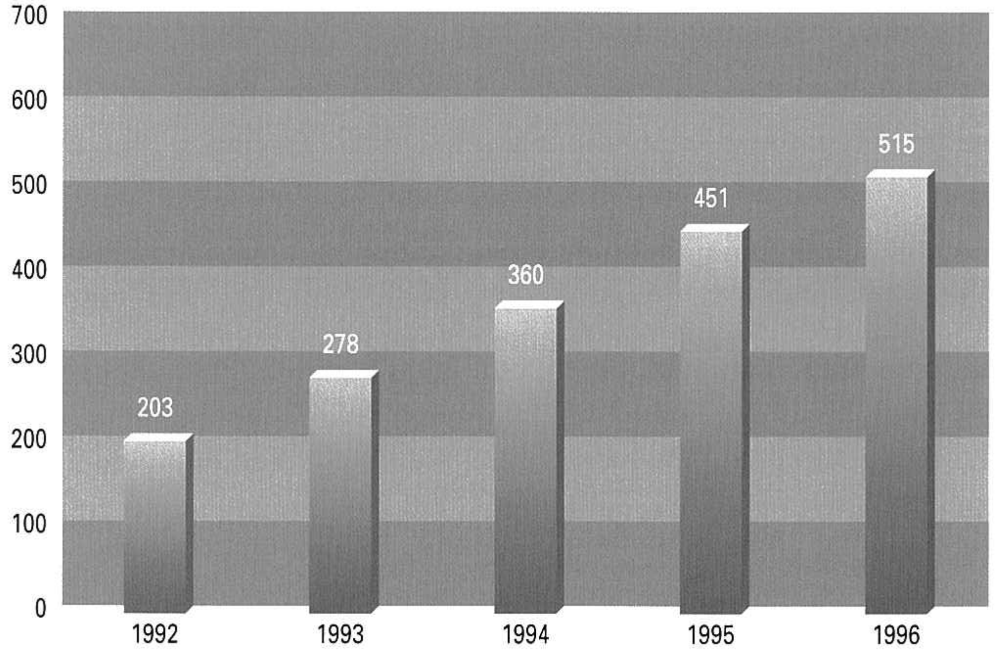
除稅及少數股東權益後溢利
PROFIT AFTER TAX AND MINORITY INTERESTS



每股盈利及每股股息
EARNINGS PER SHARE AND DIVIDEND PER SHARE



零售門市總數
TOTAL NUMBER OF RETAIL OUTLETS



- GIORDANO INTERNATIONAL LIMITED 佐丹奴國際有限公司
  - RETAIL AND DISTRIBUTION 零售與分銷
    - EAST JEAN LIMITED
      - TAIWAN 台灣
    - GIORDANO LIMITED 佐丹奴有限公司
      - HONG KONG 香港
      - JAPAN 日本
      - PHILIPPINES 菲律賓
    - GIORDANO ORIGINALS (SINGAPORE) PTE. LTD.
      - SINGAPORE 新加坡
    - TIGER ENTERPRISES LIMITED 虎威企業有限公司
      - PEOPLE'S REPUBLIC OF CHINA ("PRC") 中華人民共和國（「中國」）
    - GIORDANO (M) SDN.BHD.
      - MALAYSIA 馬來西亞
    - GIORDANO CORPORATION LTD.
      - KOREA 韓國
    - GIORDANO (MACAU) LIMITED
      - MACAU 澳門
    - GIORDANO FASHIONS LIMITED
      - NEW ZEALAND 紐西蘭
    - GIORDANO (THAI) CO. LTD.
      - THAILAND 泰國
    - GIORDANO FASHIONS (L.L.C.)
      - MIDDLE EAST 中東
  - MANUFACTURING 製衣
    - COHIN KNITTING & GARMENT MANUFACTURERS LTD. 公興針織製衣廠有限公司
      - FINE KNITWEAR, PRC 精細針織品，中國
    - GLOSS MIND GARMENT MANUFACTURING CO. LTD. 亮志製衣有限公司
      - WOVEN PRODUCTS, PRC 梭織產品，中國
    - COHIN PHILIPPINES INC.
      - FINE KNITWEAR, PHILIPPINES 精細針織品，菲律賓
    - DONGGUAN CHIHING GARMENTS LTD. 東莞智興製衣有限公司
      - FACTORY IN DONGGUAN, PRC 在中國東莞之廠房

董事

執行董事

劉國權先生
(主席及行政總裁)
William Garrett Bennett 先生
陳鉅添先生
張國良先生
馮永昌先生
吳士元先生

非執行董事

畢滌凡先生
吳卓明先生

公司秘書

聶羨萍女士

授權代表

劉國權先生
陳鉅添先生

註冊辦事處

Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

主要營業地點

香港九龍
長沙灣道777－779號
天安工業大廈5樓

DIRECTORS

Executive

Mr. LAU Kwok Kuen, Peter
(Chairman and Chief Executive)
Mr. William Garrett BENNETT
Mr. CHAN Kui Tim, Jimmy
Mr. CHEUNG Kwok Leung, Peter
Mr. FUNG Wing Cheong, Charles
Mr. NG Sze Yuen, Terry

Non-executive

Mr. Barry John BUTTIFANT
Mr. Edward James WU

COMPANY SECRETARY

Ms. LIP Sin Ping, Alice

AUTHORISED REPRESENTATIVES

Mr. LAU Kwok Kuen, Peter
Mr. CHAN Kui Tim, Jimmy

REGISTERED OFFICE

Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

PRINCIPAL PLACE OF BUSINESS

5th Floor Tin On Industrial Building
777-779 Cheung Sha Wan Road
Kowloon Hong Kong

法律顧問

香港

喬立本廖依敏律師行

趙天岳、鍾子良律師事務所

百慕達

顏施甘百慕達律師行

核數師

永道會計師事務所

主要股份過戶登記處

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記分處

雅柏勤證券登記有限公司
香港銅鑼灣
恩平道28號
嘉蘭中心10樓

主要往來銀行

香港上海滙豐銀行有限公司

香港渣打銀行

萬國寶通銀行

LEGAL ADVISERS

Hong Kong

Robin Bridge & John Liu

Chao and Chung

Bermuda

Appleby, Spurling & Kempe

AUDITORS

Coopers & Lybrand

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Abacus Share Registrars Limited
10th Floor Caroline Centre
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank

Citibank N.A.

董事

劉國權先生，現年四十四歲，主席。劉先生亦出任行政總裁兼董事總經理。彼於一九八七年加入本集團，並於一九九四年二月八日成為行政總裁，其後於一九九四年八月十日獲委任為本公司董事會主席。劉先生持有加拿大卡加里大學工商管理碩士學位。彼為加拿大特許會計師公會會員。於加入本集團之前，劉先生於加拿大之私人公司及政府機構有超過十二年會計工作經驗。

William Garrett BENNETT 先生，現年三十五歲，執行董事。彼負責本集團零售業務之產品發展策劃、執行及控制。彼於一九八六年加入本集團，並在一九九七年二月十一日獲委任為本公司之執行董事。彼擁有十三年時裝設計及市場推廣之經驗。

畢滌凡先生，現年五十二歲，非執行董事。畢先生於一九八二年至一九八七年間擔任香港森那美集團之行政總裁，於一九八七年加入寶麗碧集團為其遠東業務部門之集團行政總裁。畢先生現任萬威科技國際有限公司之董事總經理。彼為英國特許公認會計師公會及香港會計師公會資深會員。彼亦為英國及香港管理人員協會之資深會員。彼於一九九一年五月出任為本公司之非執行董事。

陳鉅添先生，現年四十七歲，執行董事。陳先生亦出任本集團財務總裁。彼畢業於加拿大阿伯特大學，為加拿大特許會計師公會會員及香港會計師公會會員。彼於一九九零年加入本集團，並於一九九四年二月二十一日被委任為本公司執行董事。加入本集團之前，彼在加拿大及香港曾任職於專業會計，財務及公司管理各有關職位。

DIRECTORS

Mr. LAU Kwok Kuen, Peter, aged 44, Chairman. Mr. Lau also holds the positions of Chief Executive and Managing Director. He joined the Group in 1987 and became the Chief Executive on 8th February, 1994. He was elected Chairman of the Board of Directors of the Company on 10th August, 1994. Mr. Lau holds a MBA degree from the University of Calgary in Canada. He is a member of the Canadian Institute of Chartered Accountants. Prior to joining the Group, Mr. Lau had over 12 years' accounting experience in the private and the public sectors in Canada.

Mr. William Garrett BENNETT, aged 35, Executive Director. Mr. Bennett directs the Group's retailing division's overall product development planning, implementation and control. He joined the Group in 1986 and was appointed Executive Director of the Company on 11th February, 1997. Mr. Bennett has 13 years' experience in fashion design and marketing.

Mr. Barry John BUTTIFANT, aged 52, Non-executive Director. Mr. Buttifant was the Managing Director of the Sime Darby group between 1982 and 1987. He joined the Polly Peck group in 1987 as Group Chief Executive of its Far East operations. Presently, he is the Managing Director of IDT International Limited. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants. He is also a fellow member of the Institutes of Management in the United Kingdom and Hong Kong. He became a Non-executive Director of the Company in May 1991.

Mr. CHAN Kui Tim, Jimmy, aged 47, Executive Director. Mr. Chan also holds the position of Chief Financial Officer of the Group. He is a graduate of the University of Alberta in Canada and is a member of the Canadian Institute of Chartered Accountants and an associate member of the Hong Kong Society of Accountants. He joined the Group in 1990 and was appointed Executive Director of the Company on 21st February, 1994. Prior to joining the Group, he had held various positions in public accounting, finance and corporate management in Canada and Hong Kong.

張國良先生，現年四十五歲，執行董事。張先生亦出任本集團製衣部門之業務總裁。彼於一九九零年加入本集團及在一九九七年二月十一日獲委任為本公司之執行董事。張先生有超過二十二年成衣製造的經驗。

Mr. CHEUNG Kwok Leung, Peter, aged 45, Executive Director. Mr. Cheung also holds the position of Chief Operations Officer of the manufacturing division of the Group. He joined the Group in 1990 and was appointed Executive Director of the Company on 11th February, 1997. Mr. Cheung has over 22 years' experience in the garment manufacturing industry.

馮永昌先生，現年三十五歲，執行董事。馮先生亦出任本集團東南亞零售業務之業務總裁。彼持有香港大學學士學位。馮先生於一九八八年加入本集團，並在一九九七年二月十一日獲委任為本公司之執行董事。於加入本集團之前，彼具有五年房地產業務經驗。

Mr. FUNG Wing Cheong, Charles, aged 35, Executive Director. Mr. Fung also holds the position of Chief Operations Officer of the Group's retail operations in South East Asia. He holds a bachelor degree from the University of Hong Kong. Mr. Fung joined the Group in 1988 and was appointed Executive Director of the Company on 11th February, 1997. Before joining the Group, he worked for 5 years in the real estate business.

吳士元先生，現年三十七歲，執行董事。吳先生在一九九七年二月十一日獲委任為本公司之執行董事，並負責本集團業務發展。彼畢業於澳洲新南威爾斯大學。彼亦持有亞洲(澳門)國際公開大學工商管理碩士學位。彼為澳洲執業會計師公會會員。於一九九三年加入本集團之前，吳先生曾於香港聯合交易所有限公司任職超過五年，彼亦曾任職永道會計師事務所，有數年核數工作經驗。

Mr. NG Sze Yuen, Terry, aged 37, Executive Director. Mr. Ng was appointed Executive Director of the Company on 11th February, 1997 and is primarily responsible for business development of the Group. He is a graduate of the University of New South Wales in Australia. He also holds a MBA degree from Asia International Open University (Macau). He is a member of the Australian Society of Certified Practising Accountants. Immediately before joining the Group in 1993, Mr. Ng worked for The Stock Exchange of Hong Kong Limited for more than five years. He also has several years' experience in the auditing field with Coopers & Lybrand, certified public accountants.

吳卓明先生，現年四十七歲，非執行董事。吳先生曾任職中國銀行之香港商人銀行聯營機構中芝興業財務有限公司，現為萬美達有限公司董事總經理。彼持有加州克萊大學工商管理碩士學位。彼於銀行業及商人銀行業擁有超過二十年經驗，並在製造及經銷時裝業擁有超過五年經驗。吳先生於一九九一年五月出任本公司之非執行董事。

Mr. Edward James WU, aged 47, Non-executive Director. Mr. Wu was previously with CCIC Finance Limited, a Hong Kong merchant banking affiliate of the Bank of China, and is currently Managing Director of Vimeda Company Limited. He holds a MBA degree from the University of California, Berkeley. He has over 20 years' experience in banking and merchant banking and has over 5 years' experience in manufacturing and distribution in the fashion industry. He became a Non-executive Director of the Company in May 1991.

高級管理人員

區志強先生，現年四十歲，為本集團在香港零售業務 — 佐丹奴有限公司之高級副總裁。彼負責本集團零售業務之產品發展。區先生畢業於香港理工大學，於一九八五年加入本集團。

SENIOR MANAGEMENT

Mr. AU Chi Keung, Alan, aged 40, Senior Vice President of the Group's retail operation in Hong Kong, Giordano Limited. He is responsible for product development of the Group's retailing division. Mr. Au is a graduate of Hong Kong Polytechnic University. He joined the Group in 1985.

聶羨萍女士，現年三十九歲，公司秘書兼公司事務部經理。聶女士畢業於香港理工大學。彼亦持有英國赫爾大學工商管理碩士學位。彼為香港公司秘書公會資深會員，彼亦為該會之理事及專業發展組主席。彼於一九九二年加入本集團，並擁有十六年公司秘書方面經驗。

Ms. LIP Sin Ping, Alice, aged 39, Company Secretary and Corporate Services Manager. Ms. Lip is a graduate of Hong Kong Polytechnic University. She also holds a MBA degree from the University of Hull in the United Kongdom. She is a fellow member of The Hong Kong Institute of Company Secretaries. She is also a council member and the chairman of the Professional Development Committee of the said Institute. She joined the Group in 1992 and has 16 years' experience in the company secretarial field.

馬灼安先生，現年四十七歲，高級副總裁。馬先生於一九九六年五月加入本集團，並負責本集團在中國之業務。彼持有加拿大阿伯特大學商業管理學士學位及為加拿大特許會計師公會會員。在加入本集團之前，馬先生在加拿大政府曾任高職於會計及核數部門達十五年。彼亦擁有工商業投資及商業管理資深經驗。

Mr. MAH Chuck On, Bernard, aged 47, Senior Vice President. Mr. Mah joined the Group in May, 1996 and is responsible for the Group's operations in the People's Republic of China. He holds a bachelor degree in Business Administration from the University of Alberta in Canada and is a member of the Canadian Institute of Chartered Accountants. Prior to joining the Group, Mr. Mah had 15 years' experience in senior government positions in accounting and auditing in Canada. He also had extensive experience in industrial and commercial investment and business administration.

莫婉妍女士，現年四十四歲，集團財務總監。莫女士畢業於香港理工大學。彼為英國特許公認會計師公會及香港會計師公會資深會員。彼於一九八九年加入本集團，並擁有超過十八年財務及會計經驗。

Ms. MOK Yuen Yin, Anne, aged 44, Group Financial Controller. Ms. Mok is a graduate of Hong Kong Polytechnic University. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants. She joined the Group in 1989 and has over 18 years' experience in finance and accounting.

黃小平女士，現年三十七歲，佐丹奴有限公司人力資源部總監。黃女士為特許管理會計師公會及香港會計師公會會員，亦為僱員再培訓局委員。彼於一九九三年六月加入本集團及擁有超過十三年之人力資源、會計、零售及業務經驗。於加入本集團之前，黃女士任職怡和有限公司及牛奶國際集團超過九年。

Ms. WONG Siu Ping, Christine, aged 37, Human Resources Director of Giordano Limited. Ms. Wong is an associate member of the Chartered Institute of Management Accountant and the Hong Kong Society of Accountants. She is also a board member of the Employees Retraining Board. She joined the Group in June, 1993 and has over 13 years' experience in human resources, accounting, sales and operations. Prior to joining the Group, Ms. Wong worked for Jardine Matheson & Co. and Dairy Farm Group for more than 9 years.

楊志超先生，現年四十五歲，佐丹奴有限公司之美術及視覺總監。楊先生畢業於香港理工大學。彼於工商設計有超過二十年經驗，於一九八八年加入本集團。

Mr. YEUNG Chi Chiu, aged 45, Art and Visual Director of Giordano Limited. Mr. Yeung is a graduate of Hong Kong Polytechnic University. He has over 20 years' experience in 2-dimensional and 3-dimensional design. Mr. Yeung joined the Group in 1988.

VALUE FOR MONEY 物有所值

IT IS NOT WHAT YOU SPEND BUT HOW YOU SPEND IT

一九九六年為本集團受到考驗之一年，在中國遇到未能預料之障礙，加上本集團若干主要市場競爭劇烈，使本集團之業務增長明顯地減慢，股東應佔溢利僅微增4.4%，而綜合營業額則僅增加1.2%。

董事會建議派發末期股息每股11.5仙（一九九五年：9.0仙）。每股股息總額（包括中期股息）為16仙（一九九五年：13.5仙）。

商業世界是一個錯對並存的世界，一間優秀之公司應不停地從其成功及間中從其挫折中學習。管理層決心要建立佐丹奴為一間優秀之公司。從遇到之挫折學習所得，本集團已重新訂立策略方向。

為應付多元化之經營環境，本公司已採納最靈活之市場推廣及經營方式，套一句常用之説法，本集團放眼世界並兼顧當地環境因素，能有效地應用此策略是本集團能在國際商業舞台上長期保持增長之要素。本公司之全新發展策略將為「微觀市場策略」，其市場策略會繼續著重於物有所值及服務。

本公司之更強大、年輕化及更有活力之管理隊伍，隨時準備創新，本公司將會以嶄新意念作為注碼，從多樣化之環球市場中獲益。

回歸臨近，本公司紮根之地方 — 香港，將於一九九七年七月一日歸還中國統治，與香港大多數公司一樣，本公司相信由已故鄧小平先生設計之一國兩制構思將會確保公平及有利之商業環境維持不變。

The Group had a testing year in 1996. Unforeseen obstacles in the PRC, coupled with tough competition in some of our principal markets, significantly retarded the Group's growth with only a modest growth reported for profit attributable to shareholders 4.4% and a small increase in consolidated turnover 1.2%.

A final dividend of 11.5 cents (1995: 9.0 cents) per share has been recommended by the Board. The total dividend per share, including interim dividend, is 16 cents (1995: 13.5 cents).

The business world is a world of paradoxes. A good company never stops learning from its successes, and at times, from its set-backs. Management is resolved to make Giordano a good company. Learning from set-backs, we have redefined our strategic position.

Adapting to its diverse operating environments, the Company has adopted maximum marketing and operating flexibility. To use a much quoted phrase, the Company thinks globally but acts locally. The ability to effectively apply this approach is the key to the Company's continuing growth in the global arena, in the long run. The Company's new business development strategy will be that of "micromarketing". Its marketing strategy continues to be value and service.

The Company's strengthened, younger and more energetic management team is poised to innovations. New ventures will be launched to capitalise on the very diverse global markets.

Closer to home, the Company's home base, Hong Kong, will return to Chinese rule on 1st July, 1997. Along with most companies in Hong Kong, we believe that the One Country, Two Systems concept, engineered by the late Mr. Deng Xiaoping, will ensure a fair and favourable business environment, unchanged from before.

在一九九六年佐丹奴員工經歷非常困難之時刻，員工上下付出之毅力，使本人及董事會深深感動。董事會感謝各股東對管理層及各員工之體會及支持。本人亦感激本公司之合作夥伴及供應商，為本公司在一九九六年間一些艱辛時刻中的平穩履航所作出的幫助。

Giordano's staff were put through very difficult times during 1996. Their perseverance has touched me and the Directors deeply. The Board is thankful to our shareholders, who have shown empathy and support to management and staff. I am grateful to our partners and suppliers, who went to great lengths to help us through some difficult times in 1996.

本人看到所有毅力、體會、支持及協助，並沒有白白付出，深感欣幸，一九九七年第一季度在各項業務上已見大幅改善，亦顯示利好趨勢會持續。吾等相信本公司之實力定必較過去更加強大。

I am happy to see that the perseverance, empathy, support and help have not gone unrewarded. The first quarter of 1997 saw substantial improvements on all fronts. Indications are that this positive trend will continue. We believe that this Company has never been stronger before.

主席
劉國權

一九九七年五月十六日

LAU KWOK KUEN, PETER
Chairman

16th May, 1997

概論

本集團一九九六年度之銷售營業額較一九九五年上升1.2%，達3,522,000,000港元。股東應佔溢利增加4.4%至261,200,000港元。

一九九六年度零售及分銷業務銷售額較一九九五年下降1.8%。台灣之營業額帶動跌幅，下降13.7%，其他兩個主要市場 — 香港及新加坡 — 表現亦未達預期理想，分別下跌2.3%及2.9%。在中華人民共和國(「中國」)方面，雖然本集團之業務在一九九六年經歷若干困難，但零售及分銷業務卻錄得7.6%之增長。本集團新興市場之菲律賓、馬來西亞、泰國及中東之零售業務銷售額在一九九六年整體增長超過36.6%。其中，韓國之零售業務更錄得超過122.6%之營業額增長。

一九九六年度零售及分銷業務對本集團之貢獻較上年度增加6.6%，主要因素是本集團維持堅定之訂價政策，使集團之整體邊際利潤在業內競爭激烈之環境下仍得以維持。本集團在地區上(尤其是台灣)重整各類業務，使本集團能適應當地市場之競爭變動，從而使業務更具成本效益並增進本集團之淨收益。

一九九六年之製衣業務銷售淨額較一九九五年上升26.6%，主要原因是增加對第三者客戶之直接銷售及擴大菲律賓之生產設備。菲律賓之業務自一九九四年底設立以來，在一九九六年首次獲得溢利，使製衣業務之營業額及淨溢利均有所增長。然而，於中國之業務在一九九六年為遵照中國機關之若干規定而牽涉額外開支；亦因本集團在中國之製衣業務出現未能預料之付運延誤情況而牽涉額外船務開支及需對第三者客戶作出補償。因此，製衣業務之整體貢獻較上年度下降17.8%。

OVERVIEW

Group sales turnover for 1996 increased by 1.2% to HK$3,522.0 million over 1995 comparable sales. Profit attributable to shareholders increased by 4.4% to HK$261.2 million.

Retail and distribution sales for 1996 decreased by 1.8% compared with 1995. Sales turnover in Taiwan led the decline and reported a decrease of 13.7%. The performance of the two other major markets – Hong Kong and Singapore – also fell short of expectation, both reporting declines by 2.3% and 2.9% respectively. In the People's Republic of China (the "PRC"), despite the various problems experienced by our operations there during 1996, retail and distribution sales reported a 7.6% growth. For the Group's retail business in the Group's emerging markets of the Philippines, Malaysia, Thailand and the Middle East, the overall growth in sales in 1996 was up by 36.6%. In particular, the Korean retail operation reported sales growth was up by 122.6%.

Contribution to the Group from the Retail and Distribution Division improved by 6.6% in 1996 over the previous year. This was primarily due to the Group's firm pricing policy which allowed the corporate overall margins to maintain their position ahead of the fierce competitive environment in the region. Restructuring of the various operations in the region, in particular, Taiwan, enabled the Group to adapt to competitive changes in the local markets, resulting in a more cost effective operation and thereby contributing to the strengthening of the Group's bottom line.

Net sales from the Manufacturing Division were up by 26.6% in 1996 compared with 1995, largely due to increases in direct sales to third party customers and the expanded production facilities in the Philippines. The operations in the Philippines became profitable for the first time in 1996 since its setting up in late 1994, which contributed towards manufacturing growth both in turnover and net profit. However, in the PRC, during 1996, additional expenses had to be incurred in order to comply with certain requirements of the authorities. Additional freight expenses and compensation to third party customers were also incurred as a result of unexpected delays in shipment from the Group's manufacturing operations in the PRC. As a result, overall contribution from the Manufacturing Division was down by 17.8% from the previous year.

零售及分銷業務

一九九六年度，來自零售及分銷業務之營業額下降1.8%至3,061,100,000港元；溢利貢獻則上升6.6%至243,000,000港元。

本集團之零售及分銷業務遍佈世界十三個地方，包括香港、台灣、中國、新加坡、韓國、菲律賓、馬來西亞、泰國、日本、中東、紐西蘭、澳洲及緬甸。一九九六年，本集團最大之四個市場 – 香港、台灣、中國及新加坡 – 佔本集團之零售及分銷總銷售額達90.2%；而一九九五年則為93.0%。該四個市場在一九九六年度之銷售額較一九九五年下跌4.7%，主要是香港及新加坡市場成熟及競爭激烈所致。相反地，其他市場在一九九六年之銷售貢獻則增加36.6%，該等部份新興市場，如韓國，現已成為本集團在銷售及溢利貢獻方面之主要動力。

RETAIL AND DISTRIBUTION

Sales turnover from the Retail and Distribution Division was down by 1.8% in 1996 to HK$3,061.1 million while its profit contribution was up by 6.6% to HK$243.0 million.

The Group's Retail and Distribution Division now spans 13 territories worldwide, namely, Hong Kong, Taiwan, the PRC, Singapore, Korea, the Philippines, Malaysia, Thailand, Japan, the Middle East, New Zealand, Australia and Myanmar. In 1996, the Group's four largest markets – Hong Kong, Taiwan, the PRC and Singapore – accounted for 90.2% of the Group's total retail and distribution sales as compared with 93.0% in 1995. In 1996, sales from these four markets fell by 4.7% as compared with 1995, mostly due to the mature and competitive market conditions in Hong Kong and Singapore. In contrast, sales contributions from the other markets surged by 36.6% in 1996. Some of these new markets, like Korea, have now become a significant force both in terms of sales and of profit contribution to the Group.

香港 HONG KONG

		1996	1995	1994	1993	1992
銷售淨額(百萬港元)	Net sales *(HK$m)*	**926.1**	947.8	845.4	777.7	652.8
每平方呎銷售額(港元)*	Sales per sq. ft. *(HK$)**	**20,400**	22,400	21,100	21,200	21,100
可比較店鋪之銷售額 (減少)/增加 (%)**	Comparable store sales (decrease)/ increase *(%)***	**(6)**	9	1	6	16
零售樓面面積 (平方呎)***	Retail floor area *(sq. ft.)****	**44,400**	46,500	40,800	41,900	33,100
售貨員數目***	Number of sales associates***	**463**	498	461	479	497
銷售點數目 — 直接管理***	Number of outlets — directly managed***	**47**	49	45	46	37

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之銷售點

*** 於十二月三十一日

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at 31st December*

一九九六年度之銷售額較一九九五年下跌2.3%至926,100,000港元。儘管銷售表現相對地疲弱，其淨溢利貢獻仍在本集團之零售業務維持首位，毛利率及淨利潤率均較一九九五年有所增長，年終之存貨水平較一九九五年下降2.2%，佔44日之營業額。按每平方呎銷售額及每名僱員銷售額之基準分析，香港之零售業務在本集團所有零售業務中仍是最具生產力之地區。

Sales turnover for 1996 fell 2.3% when compared with 1995, amounting to HK$926.1 million. Notwithstanding the relatively weak sales performance, its net profit contribution remained first amongst all Group retail operations. Both gross and net margins improved compared with 1995. Stock level at year end was down by 2.2% compared with 1995, representing 44 days of turnover. The retail operation in Hong Kong remained the most productive amongst all of the Group's retail operations when analyzed on the basis of sales per square foot and sales per employee.

SERVICE超卓服務

HAPPINESS COMES FROM BEING GIVEN ATTENTION WHEN NEEDED

台灣

TAIWAN

		1996	1995	1994	1993	1992
銷售淨額(*百萬港元*)	Net sales *(HK$m)*	**917.0**	1,062.7	1,120.2	1,003.3	615.1
每平方呎銷售額(*港元*)*	Sales per sq. ft. *(HK$)**	**5,700**	6,400	7,700	9,900	8,800
可比較店舖之銷售額 (減少)/增加 *(%)***	Comparable store sales (decrease)/ increase *(%)***	**(11)**	(10)	(17)	28	37
零售樓面面積 (*平方呎*)***	Retail floor area *(sq. ft.)****	**164,400**	159,300	161,300	134,900	81,800
售貨員數目***	Number of sales associates***	**800**	837	801	780	484
銷售點數目 —直接管理***	Number of outlets — directly managed***	**173**	170	182	174	129

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at 31st December*

一九九六年之銷售營業額連續第二年下跌至917,000,000港元，較上年度再下跌13.7%。一九九六年年內，零售市場情緒因當地證券市場疲弱而持續不景；與中國政府之政治緊張局勢繼續對當地市場狀況產生不利影響。鑑於短期內並無復甦跡象，管理層已採取激烈措施重整整體業務，包括權力下放及縮小業務規模以達到成本效益及能對市場狀況之變動迅速應變，該等重整項目成效超卓。一九九六年，工資及租金方面之費用分別節省15%及8%。一九九六年下半年度，銷售表現及淨溢利方面均顯著改善，整體業務狀況已出現復甦趨勢，吾等相信此趨勢會在一九九七年持續。

Sales turnover for 1996 declined for the second consecutive year to HK$917.0 million, a further drop of 13.7% compared with the previous year. During 1996, retail market sentiments continued to worsen due to the weakening of the local stock market. The political tension with the PRC government continued to negatively affect the local market conditions. With no sign of recovery in the short term, management has implemented drastic measures by restructuring the entire operation. This includes decentralization and downsizing of operations to achieve cost effectiveness and prompt response to changes in market conditions. The restructuring has been overwhelmingly successful. For 1996, cost reduction on wages and rentals recorded savings of 15% and 8% respectively. In the second half of 1996, it was apparent that both sales performance and net profit improved significantly. The recovery trend in the entire operation has been conclusively established and we are convinced this trend will continue into 1997.

中國

PRC

		1996	1995	1994	1993	1992
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**567.4**	527.1	338.5	338.1	102.3
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**20,300**	18,500	10,200	11,200	3,800
可比較店舖之銷售額 增加／(減少) *(%)***	Comparable store sales increase/(decrease) *(%)***	**4**	53	(9)	—	—
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**26,900**	30,700	33,000	33,800	26,500
售貨員數目***	Number of sales associates***	**302**	359	338	499	600
銷售點數目	Number of outlets					
— 直接管理***	— directly managed***	**10**	9	6	6	3
— 特許經營***	— franchised***	**110**	84	34	15	—

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at 31st December*

一九九六年對本集團在中國之零售業務而言為特別艱辛之一年，上海十一間專營店舖在一九九六年三月全部結束營業，隨後在國內其它多個地方亦有多間店舖結束營業。雖然大部份結束之店舖已重新開業(上海之店舖除外)，其不利影響導致在中國開設新舖之速度減慢。

1996 was a particularly difficult year for our retail operation in the PRC. All eleven franchisee shops in Shanghai were closed in March 1996. Soon thereafter, many more retail shops were closed in various other parts of the country. Although most of the closed shops have since reopened (except those in Shanghai), the negative effects caused a slow down in the opening of new shops in China.

此外一間於中國之附屬公司其展銷部接獲一份有關涉嫌違反營業執照之罰款通知書，罰款數額約8,000,000港元(詳情載於賬目附註二十七)。

In addition, the sales office of a subsidiary in the PRC received a penalty notice of approximately HK$8 million for alleged breaches of its business licence (further details of which are set out in note 27 to the accounts).

雖然遇到障礙，於中國之零售銷售額較上年度仍有7.6%之輕微增長；淨溢利更增長22%，令人鼓舞。銷售表現獲得進展主要來自銷售貨場之生產力提高及銷售業務效率提升。

Despite the set-backs, retail sales in the PRC still reported a modest growth of 7.6% over the previous year. Net profit growth was even more encouraging at 22%. The improved sales performance was derived mostly from the higher productivity on the sales floor and higher efficiency of the sales operations.

新加坡

SINGAPORE

		1996	1995	1994	1993	1992
銷售淨額（百萬港元）	Net sales *(HK$m)*	**351.0**	361.4	335.1	277.5	168.9
每平方呎銷售額（港元）*	Sales per sq. ft. *(HK$)**	**14,900**	16,800	14,800	15,100	13,200
可比較店舖之銷售額（減少）／增加 (%)**	Comparable store sales (decrease)/ increase *(%)***	**(19)**	(1)	(14)	11	27
零售樓面面積（平方呎）***	Retail floor area *(sq. ft.)****	**26,400**	22,000	23,200	23,600	16,900
售貨員數目***	Number of sales associates***	**233**	248	208	206	186
銷售點數目 — 直接管理***	Number of outlets — directly managed***	**30**	27	29	29	16

* 按加權平均基準計算
** 指於兩個作比較之財政年度內均開業十二個月之銷售點
*** 於十二月三十一日

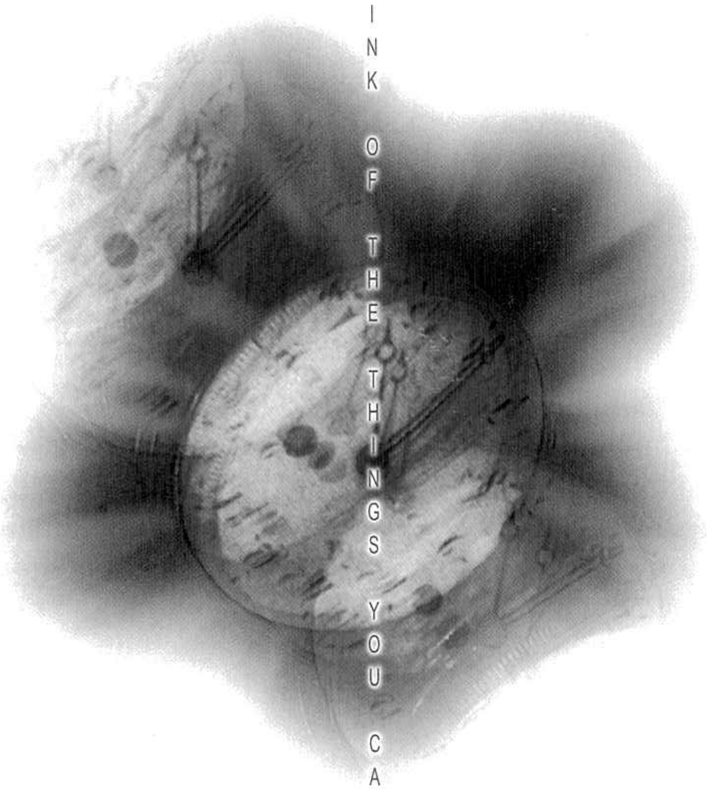
* *On weighted average basis*
** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*
*** *As at 31st December*

一九九六年之零售銷售額相對一九九五年而言較為疲弱，下跌2.9%。然而，除税後淨溢利則較一九九五年增加14.4%。業務精簡及削減成本均有助業務運作達到利好之成果，一九九六年在辦公室直接成本方面已削減20%，而直接營運成本則削減6%。存貨可供銷售日數亦進一步改善，於年底已減少三日至六十日。

Retail sales were relatively weak in 1996 compared with 1995, down by 2.9%. Despite this, net profit after tax was, however, up by 14.4% from 1995. Streamlining and cost cutting measures had enabled the operation to deliver positive results. As much as 20% was trimmed from office overheads during 1996 and 6% in direct operating costs. Days of inventory turnover was further improved at year end by a reduction of 3 days to 60 days.

SPEED反應迅速

THINK OF THE THINGS YOU CAN DO WITH EXTRA TIME SAVED



韓國 KOREA

		1996	1995	1994
銷售淨額（百萬港元）	Net sales *(HK$m)*	**271.8**	122.1	16.0
每平方呎銷售額（港元）*	Sales per sq. ft. *(HK$)**	**9,840**	6,100	1,770
可比較店舖之銷售額增加 (%)**	Comparable store sales increase *(%)***	**72**	—	—
零售樓面面積（平方呎）***	Retail floor area *(sq. ft.)****	**33,200**	23,900	12,600
售貨員數目 ***	Number of sales associates***	**181**	109	69
銷售點數目 ***	Number of outlets***	**62**	43	20

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at 31st December*

一九九六年之普遍零售市場狀況不景，失業率高企導致消費需求減弱及整體經濟水平下降。儘管市場狀況不景，本集團在韓國市場之表現仍頗為突出，一九九六年於韓國之零售業務錄得271,800,000港元，上升122.6%；零售溢利之升幅更強勁，較一九九五年上升超過300%。

The general retail market conditions were poor in 1996. Unemployment rate was high which lead to shrinking consumer demand and downturn of the economy as a whole. Despite the difficult market conditions, our performance in the Korean market has been quite exceptional. Retail sales in 1996 reported by the Korean retail operation increased by 122.6% to reach HK$271.8 million. The surge in retail profit was even stronger, up by more than 300% compared with 1995.

其他市場

除前文所述之五大市場外，本集團於一九九六年在新興市場(包括菲律賓、馬來西亞、泰國及中東)之表現強勁，一九九六年度之總營業銷售額持續增長，升幅達36.6%至157,700,000港元。

在馬來西亞，一九九六年之營業銷售額較一九九五年增加31.6%，主要是銷售貨場之生產力增加，而貨場面積亦增加約30.9%。一九九六年度之溢利亦見上升，隨著經營開支維持較低水平，馬來西亞業務在一九九六年所錄得之溢利創歷年紀錄。

泰國於一九九六年之零售業務較一九九五年增長34.7%。一九九六年年底之零售店數目增加至15間，而於一九九五年年底則為10間。鑑於該國之地理分佈狀況，透過設立專營權銷售網絡將為擴展泰國業務之最有效方式。本集團將會積極進行專營店計劃，以增進泰國業務之擴展。

一九九六年年內，本集團在中東表現良好，銷售淨額增加超過100%，成為本集團第二個增長最迅速之市場，僅次於韓國。雖然零售貨場面積僅微升21%，每平方呎銷售額則增長達39.4%。本集團已計劃將業務擴展至當地之其他及鄰近國家，於一九九七年將在阿拉伯聯合酋長國之其他州、沙地阿拉伯及馬爾他等地開設多間店鋪，預期將能帶來利益。

OTHER MARKETS

Other than the five largest markets mentioned earlier, the Group performed strongly in 1996 in its emerging markets, which include the Philippines, Malaysia, Thailand and the Middle East. Sales turnover in aggregate continued to grow in 1996 and were up by 36.6% to HK$157.7 million.

In Malaysia, the 1996 sales turnover increased by 31.6% compared with 1995, largely due to increased productivity on the sales floor, the area of which also went up by about 30.9%. Profits were also up in 1996. With operating expenses remaining relatively flat, the Malaysia operation reported a record year in terms of profits in 1996.

The 1996 retail sales in Thailand grew by 34.7% compared with 1995. The number of outlets increased to 15 at the end of 1996 compared with 10 at the end of 1995. In view of the country's geographical coverage, expansion through the establishment of a franchisee network is likely to be an effective means of expansion in Thailand. The Group will therefore actively initiate the franchisee programme to fuel the expansion in Thailand.

The Group performed well in the Middle East during 1996. Net sales were up by more than 100% making it the Group's second fastest growth market behind Korea. While the retail floor area went up by only a modest 21%, its surge in sales per sq.ft. reported a growth of 39.4%. The Group is expected to be able to benefit from the planned expansion of its operations into other countries in and around the region as more stores are to be added in 1997 in other states in the United Arab Emirates and in Saudi Arabia and Malta.

製衣業務

一九九六年度之製衣業銷售總額為1,087,600,000港元，較一九九五年增加2.5%。扣除內部銷售予本集團零售及分銷業務後之綜合營業額為460,900,000港元，較一九九五年增加26.6%。製衣業務按綜合計算之貢獻較一九九五年減少17.8%至50,500,000港元。

一九九六年年內，本集團在中國廣東省之多項製衣設備受到干擾，導致生產及付運程序延誤。為應付該等困難狀況，管理層遂決定向第三者供應商分判業務。一九九六年度在中國之製衣業務的生產力及生產效率方面均整體下降，削弱盈利能力。於一九九六年管理層採取行動縮減該等業務之規模。隨著生產量減少，直接成本受到控制，確保該等業務能維持帶來溢利貢獻。目前，本集團已鞏固與分承辦商之關係，此舉除可確保維持供應量外，亦實現準時補給生產之合作效益。

在本年度內，若干於中國之製衣業務附屬公司接獲中國海關發出之罰款通知書，指其涉嫌在一九九二年至一九九六年間不適當地將免稅進口設備轉移至集團其他公司使用及進口原料用量有差異，罰款數額約共85,000,000港元（詳情載於賬目附註二十七）。

雖然本集團在中國之製衣業務面對若干挫折，但菲律賓製衣業務之表現卻非常出色，該廠房已扭轉了上半年度之虧蝕狀況，在一九九六年下半年度轉為溢利趨勢。於一九九七年一月，整體生產量已顯著增加至每月60,000打。工人生產力亦告上升，使業務成本控制得以改善。現時，菲律賓廠房已成為本集團在菲律賓之業務及其他市場業務之可靠及準時供應商。

MANUFACTURING

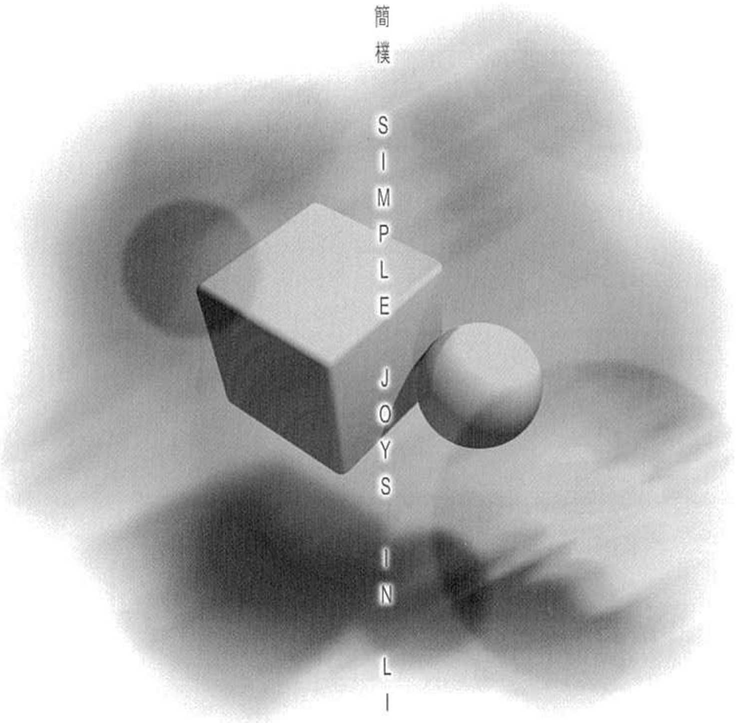
Total manufacturing sales in 1996 amounted to HK$1,087.6 million, an increase of 2.5% compared with 1995. Consolidated turnover net of internal sales to the Retailing and Distribution Division amounted to HK$460.9 million, an increase of 26.6% over 1995. Manufacturing contribution on a consolidated basis shrunk by 17.8% compared with 1995, to HK$50.5 million.

During 1996, the Group's various manufacturing facilities in Guangdong, the PRC experienced disruptions and delays in their production and shipment schedules. To cope with such difficult situations, management resorted to subcontracting to third party suppliers. Productivity and efficiency were down as a whole which lead to deteriorating profitability in the manufacturing operation in the PRC for 1996. During 1996, management also took steps to down size these operations. With production capacity down, overhead costs were kept under control to ensure that the positive contribution from these operations was maintained. At present, the relationship with subcontractors has been strengthened not only to ensure that supplies are maintained but also that the synergistic effect of timely replenishment of production can be realised.

During the year certain manufacturing subsidiaries in the PRC received penalty notices from the PRC customs authorities, alleging the improper transfer of duty free equipment to other group companies and irregularities in the usage of raw material imports over the 1992–1996 period and claiming penalties totalling approximately HK$85 million (further details are set out in note 27 to the accounts).

While the Group's manufacturing operations in the PRC encountered certain set-backs, the Philippines manufacturing operation has been doing extremely well. The factory turned around from a loss position in the first half to turn in a profit trend in the second half of 1996. Overall production capacity has been significantly increased to reach 60,000 dozen per month by January 1997. Workers productivity was also up and operation cost control also improved. The Philippines factory has now been established as a reliable Just-In-Time supplier to our operations not just in the Philippines but also to some of the Group's other markets in the region.

SIMPLICITY 自然簡樸



SIMPLE JOYS IN LIFE COME FROM BASIC THINGS

針織產品部 KNITWEAR DIVISION

		1996	1995	1994	1993	1992
銷售額(百萬港元)	Sales *(HK$m)*	**643.4**	665.1	406.7	349.3	347.5
於年底之每月生產力(千打)	Monthly capacity at year end *(000' dozens)*	**143**	165	70	68	62
工人數目	Number of workers	**3,842**	4,577	2,198	2,591	2,696
佔銷售額之百分比：	**Percentage of sales to:**					
本集團	The Group	**62**	66	60	57	64
第三者—	Third Parties —					
日本	Japan	**18**	21	23	19	14
中國	PRC	**—**	—	7	15	12
美國	USA	**5**	2	1	—	1
菲律賓	Philippines	**7**	3	—	—	—
韓國	Korea	**—**	—	—	—	1
台灣	Taiwan	**—**	—	—	1	3
其他市場	Others	**8**	8	9	8	5

梭織產品部 WOVEN DIVISION

		1996	1995	1994	1993	1992
銷售額（百萬港元）	Sales *(HK$m)*	**444.2**	395.6	246.2	144.4	101.9
於年底之每月生產力（千件）	Monthly capacity at year end *(000' pieces)*	**610**	480	300	200	130
工人數目	Number of workers	**2,462**	1,841	1,310	758	692
佔銷售額之百分比：	**Percentage of sales to:**					
本集團	The Group	**51**	67	66	77	56
第三者—	Third Parties—					
日本	Japan	**44**	30	26	8	11
中國	PRC	**—**	—	2	12	24
韓國	Korea	**5**	3	4	—	1
台灣	Taiwan	**—**	—	—	—	3
其他市場	Others	**—**	—	2	3	5

流動現金及資金來源

本集團之貿易融資及週轉銀行信貸來自十間主要銀行，合計930,400,000港元。於一九九六年十二月三十一日，本集團之銀行貸款及透支達10,500,000港元，全部均須一年內或即期償還，銀行貸款之利息按浮動利率計算。於一九九六年十二月三十一日之融資租賃債務中，包括就購買位於中國持有租約之土地及樓宇以人民幣定值之債務合共34,800,000港元，須按年利率12%按月繳付固定之款額，於二零零五年屆滿。目前仍未償還之負債以人民幣為單位，並無作套戥。本集團於一九九六年十二月三十一日之總負債對股值比率為0.4。

LIQUIDITY AND CAPITAL RESOURCES

The Group has trade finance and revolving loan facilities from 10 major banks totalling HK$930.4 million. As at 31st December, 1996 the Group's bank loans and overdrafts amounted to HK$10.5 million, all of which were repayable within a year or on demand. Interest on bank loans are charged on floating rate. Included in the obligations under finance leases as at 31st December, 1996 was an amount totalling HK$34.8 million denominated in Renminbi payable by fixed monthly instalments at an annual interest rate of 12% maturing in 2005 for the purchase of a leasehold land and building in the PRC. The present outstanding liability in Renminbi is unhedged. The Group's total debt to equity ratio as at 31st December, 1996 was 0.4.

於一九九六年十二月三十一日，本集團之營運資金增加35.1%至670,300,000港元，而總資產則增加4.2%至1,587,400,000港元。本集團以港元、人民幣及業務所在國家之交易貨幣定值之現金及銀行結餘為188,600,000港元。就中國之銷售額所獲得之人民幣足以支付本集團在中國經營業務及未來擴展所需之人民幣。

As at 31st December, 1996, the working capital of the Group increased by 35.1% to HK$670.3 million while total assets increased by 4.2% to HK$1,587.4 million. The Group's cash and bank balance of HK$188.6 million are denominated in Hong Kong dollars, Renminbi and other currencies transacted in the countries of operation. The receipt of Renminbi in respect of sales in China are sufficient to cover the Group's payment in Renminbi for the business operation and future expansion in China.

展望

PROSPECTS

一九九六年對本集團而言，無疑是未如理想的一年，本集團多個零售業務市場不單競爭劇烈，台灣之政治敏感性問題，以及在中國出現各種未能預料之困難，此等不利因素導致除稅後溢利僅相對地輕微增長4.4%。儘管業務狀況困難，本集團仍能獲得盈利增長，此現象使管理層有信心本集團在艱巨挑戰中仍能爭扎求存。本集團之策略 — 本集團管理層歷年來倚重作為建立及引領本公司之成功之道 — 已再次證明其成效。本集團有充份理由期盼未來將獲得更光輝之成績。

Undoubtedly, 1996 was an unsatisfactory year for the Group. Not only was there fierce competition in the various markets where we have retail operations, there were also the negative effects of political sensitivities in Taiwan and the various unexpected problems in the PRC. These negative factors accounted for a relatively flat after-tax profit growth of 4.4%. We achieved a profit growth in spite of the difficult conditions has given management confidence that the Group has survived the toughest challenges. Our corporate strategy – the success formula which management has relied upon to build and to lead this Company through the years – has proven to work once again. We have reasons to look forward to an even brighter future tomorrow.

前瞻未來，本集團之若干零售市場在市場飽和之情況下雖然未能有重大改變，但本集團仍預期該等已具良好規模之市場將持續帶來穩定溢利。本集團在過去已證明並且成功建立具有成本效益之零售業務。本集團能在一九九六年之困難狀況下仍然存在已顯示本集團在這方面努力不懈，確保本集團繼續獲得成果。

Looking forward, while we cannot expect any dramatic change to the market saturation conditions in some of our retail markets, the Group can continue to expect stable profits from these well established markets. We have proved and established ourselves in the past to have been successful as a cost-effective retail operation. Our survival against tough conditions in 1996 has demonstrated that our continuing, tireless effort in this direction will ensure our continuing success.

本集團發展最迅速之市場 — 韓國，可望在一九九七年發展成為四大零售市場之一。鑑於「佐丹奴」牌子在該國漸趨流行，本集團有理由相信韓國之銷售增長在短期內將成為本集團在一九九七年及未來整體銷售增長之主要推動力。

Our fastest developing market in the region, Korea, may well develop into our fourth biggest retail market in 1997. In view of the increasing popularity of the GIORDANO brand name in the country, we have reason to believe that sales growth in Korea in the short term will provide a major driving force to fuel the overall sales growth for the Group in 1997 and beyond.

一九九六年內在中國經歷之業務困難已鞏固管理層之能力，並且使業務之核心行政人員更具經驗及能幹。雖然本集團於一九九六年度在中國業務方面未能獲得原先預期之高增長率，但本集團已從中學習，獲得經驗，使建立更佳及更具效益之零售市場業務。

The set-backs we experienced in the PRC during 1996 have strengthened management's abilities and produced a more experienced, capable core of business administrators. Although the Group failed to deliver the previously expected high growth from the PRC operation in 1996, we have learnt from these experiences how to become a better and more efficient operation in the retail market.

本集團其他發展中之市場，如菲律賓、馬來西亞、泰國及中東，在一九九六年為本集團之零售業務溢利貢獻近5.2%。儘管目前來自該等市場之溢利貢獻尚少，但該等市場於一九九六年之綜合總人口接近一億七千五百萬人，而本集團之產品在該等國家亦日漸流行，於一九九六年之銷售增長超過36.6%，本集團將把握機會開拓該等市場之潛在利益。

Our other developing markets like the Philippines, Malaysia, Thailand and the Middle East are contributing close to 5.2% of Group retail sales in 1996. Although profit contribution from these markets is small at present in view of the size of these markets whose combined total population reached 175 million in 1996 and with the growing popularity of our products in these countries – our 1996 sales growth was up by 36.6% – we will seek to capitalise the potential of these markets.

自一九九一年在香港聯交所上市以來，本集團之零售業務在地域上之擴展已證實成效，零售網絡遍及十三個地方，本集團對於在不久將來能在此地區內其他地方設立零售網絡甚為樂觀。除此地區外，本集團亦計劃將業務擴展至其他國家之地方。於一九九七年，本集團已作出行動，逐步實現此理想，目前，本集團正與世界其他地方之人士磋商，在一九九七年五月，已向一間在英國上市之集團公司授出在英國之專營權，使其在未來五年有權分銷「佐丹奴」之產品，而該專營權亦可於屆滿後獲續期五年。前瞻未來，本集團不單要建立「佐丹奴」成為亞太區家傳戶曉之名字，亦希望成為世界有名之牌子。

The geographical expansion of our retail operations has proven to be successful for our Group since we became a listed company on the Hong Kong Stock Exchange in 1991. Our retail network now spans some 13 territories across the region. We are optimistic that in the near future we will be able to establish our retail network in nearly all of the territories in the region. Beyond the region, we also have plans to expand our business to other continents. In 1997 we have taken steps to bring this closer to reality and we are currently negotiating with parties in other parts of the world. In May 1997 a franchise in the United Kingdom was granted to a listed group there for the distribution rights of GIORDANO products over the next 5 years with a renewal term of a further 5 years. Looking forward, we will work towards establishing GIORDANO as a household name not only in the Asia-Pacific region but also a well known brand name popular worldwide.

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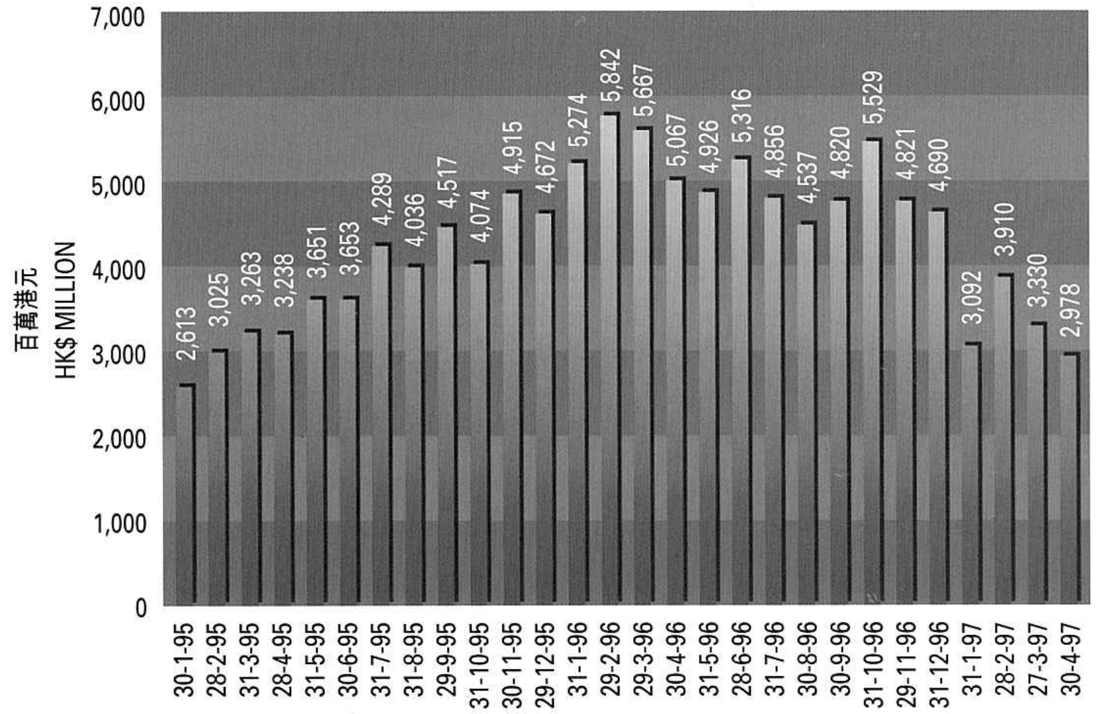
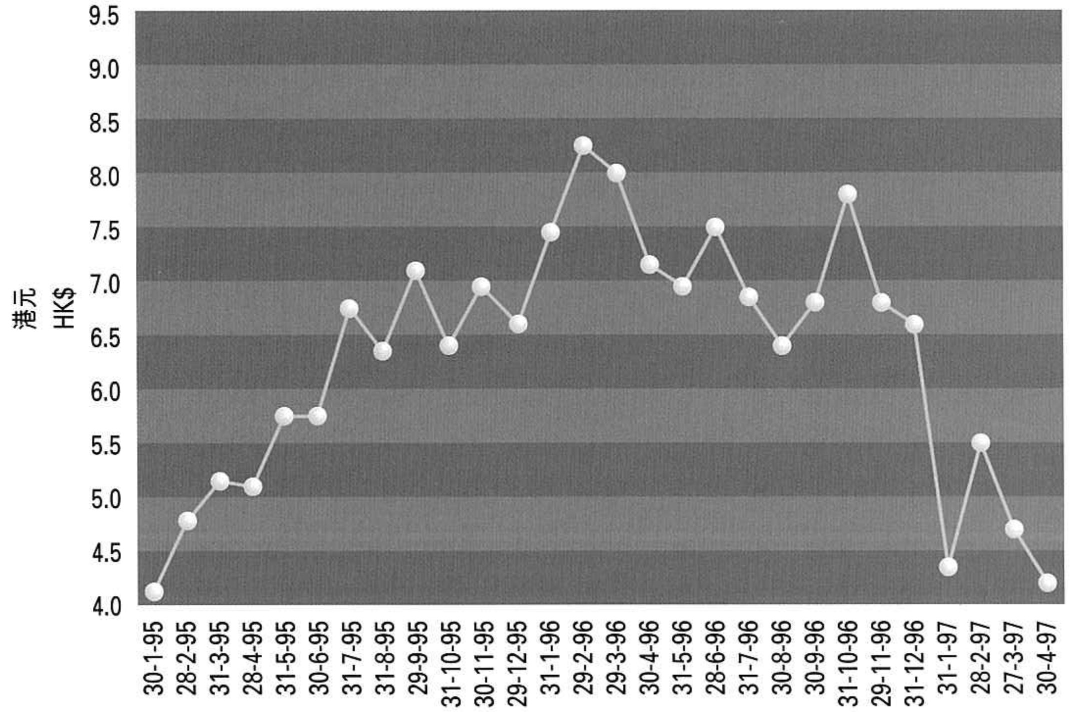
零售管理協會		**Retail Management Association**	
一九九三年傑出服務獎		1993 Service & Courtesy Award	
- 百貨公司/其他類別	A	- Department Store/Others Category	A
一九九四年傑出服務獎		1994 Service & Courtesy Award	
- 時裝店/專門店類別	B	- Boutiques/Specialty Stores Category	B
一九九四年傑出服務獎		1994 Service & Courtesy Award	
- 傑出服務冠軍大獎	C	- Outstanding Service & Courtesy Award	C
一九九五年傑出服務獎		1995 Service & Courtesy Award	
- 時裝店/專門店類別	D	- Boutiques/Specialty Stores Category	D
一九九五年傑出服務公司獎		1995 Service & Courtesy Company Award	
- 金獎	E	- Gold Award	E
一九九六年神秘顧客計劃		Mystery Shoppers Program 1996	
- 服務飾物店組別獎	F	- Winner of Fashion & Accessories Category	F
- 組別領袖獎	G	- Industry Leader	G
香港管理專業協會		**Hong Kong Management Association**	
一九九六年最佳管理培訓獎		Award For Excellence In Training 1996	
- 策略性人力資源管理類別冠軍	H	- Winner of Strategic HRD Category	H
- 全場總冠軍	I	- Overall Winner	I
香港貿易發展局		**Hong Kong Trade Development Council**	
一九九五年香港工業獎之		1995 Hong Kong Awards for Industry	
- 貿易發展局出口市場推廣獎	J	- Trade Development Council Export Marketing Award	J
亞洲管理大獎		**The Asian Management Awards**	
一九九三年市場管理大獎	K	1993 Winner of Marketing Management	K
一九九六年人力資源管理大獎	L	1996 Winner of People Development & Management	L

市值
MARKET CAPITALISATION



每股收市價
CLOSING STOCK PRICE PER SHARE



董事會同寅茲向全體股東提呈截至一九九六年十二月三十一日止年度之報告書及已審核賬目。

The directors have pleasure in submitting their report together with the audited accounts for the year ended 31st December, 1996.

主要業務

本公司為一投資控股公司。本集團之主要業務為經營零售及分銷「佐丹奴」牌子「物有所值」便服及配襯用品。本集團亦同時經營成衣製造業務，供應集團零售業務需求，並向本集團以外之人士供應製成品。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal business of the Group is the retailing and distribution of "value for money" casual apparel and accessories under the GIORDANO brand. The Group also carries on apparel manufacturing operations which support the Group's retailing business and supply products to third parties.

按照業務範圍劃分，本集團之營業額及營業溢利分析如下：

An analysis of the Group's turnover and contributions to operating profit by activities is as follows:

		1996		1995	
		營業額 Turnover 千港元 HK$'000	營業溢利 Contribution 千港元 HK$'000	營業額 Turnover 千港元 HK$'000	營業溢利 Contribution 千港元 HK$'000
零售及分銷	Retail and distribution	**3,061,168**	**242,972**	3,117,803	227,971
製造	Manufacturing	**460,879**	**50,559**	364,164	61,512
		3,522,047	**293,531**	3,481,967	289,483

按照地區劃分，本集團之營業額分析如下：

The geographical analysis of the Group's turnover is as follows:

		1996 千港元 HK$'000	1995 千港元 HK$'000
香港	Hong Kong	**936,151**	972,383
台灣	Taiwan	**917,019**	1,062,714
中華人民共和國	People's Republic of China	**570,445**	529,065
新加坡	Singapore	**350,953**	361,414
日本	Japan	**312,127**	290,604
韓國	Korea	**138,550**	69,644
菲律賓	Philippines	**85,802**	53,353
馬來西亞	Malaysia	**45,028**	34,156
泰國	Thailand	**44,013**	32,675
杜拜	Dubai	**29,582**	15,936
美國	United States of America	**29,537**	15,775
澳門	Macau	**27,767**	25,355
其他地區	Other territories	**35,073**	18,893
		3,522,047	3,481,967

財政資料

本集團截至一九九六年十二月三十一日止年度之業績，現金流動及本公司與本集團於該日之財政狀況俱載於第四十五至八十五頁之賬目內。

FINANCIAL INFORMATION

The results and cash flows of the Group for the year ended 31st December, 1996, and the state of affairs of the Company and of the Group as at that date, are set out in the accounts on pages 45 to 85.

五年財務摘要

本集團過去五個財政年度之業績、資產及負債摘要載於第八十六頁。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 86.

主要供應商及客戶

本集團的首五大供應商及客戶的總購買及銷售之百分比各少於30%，所以無需額外提供主要供應商及客戶資料。

MAJOR SUPPLIERS and CUSTOMERS

The aggregate percentages of purchases and sales attributable to the Group's five largest suppliers and customers respectively are less than 30% and therefore no additional disclosures with regard to major customers and suppliers are made.

股息
中期息每股4.5仙(一九九五年：4.5仙)已於一九九六年九月五日派發。截至一九九六年十二月三十一日止之財政年度，董事會建議派發末期股息每股11.5仙(一九九五年：9.0仙)。

DIVIDENDS
An interim dividend of 4.5 cents (1995: 4.5 cents) per share was paid on 5th September, 1996. The directors recommend the payment of a final dividend of 11.5 cents (1995: 9.0 cents) per share for the financial year ended 31st December, 1996.

股本
本公司在本年度法定股本及已發行股本之變動詳情載於第七十頁之賬目附註二十。本公司在本年度內授出之購股權詳情亦載於第七十及七十一頁之賬目附註二十。

SHARE CAPITAL
Details of the movements in the authorised and issued share capital of the Company during the year are shown in note 20 to the accounts on page 70. Details of share options granted by the Company during the year are also set out in note 20 to the accounts on pages 70 and 71.

優先購買權
根據本公司之細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。但是根據香港聯合交易所有限公司證券上市規則(「上市規則」)則有此等購買權之規定。

PRE-EMPTIVE RIGHTS
There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders. However, such rights are provided for in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

儲備金
本年度儲備金之變動情況載於第七十二及七十三頁之賬目附註二十一。

RESERVES
Movements in reserves during the year are set out in note 21 to the accounts on pages 72 and 73.

固定資產
本年度內，集團共添置約95,300,000港元之固定資產。本年度固定資產之變動情況載於第六十三至六十五頁之賬目附註十二。

FIXED ASSETS
During the year, the Group acquired fixed assets of approximately HK$95.3 million. Movements in fixed assets during the year are set out in note 12 to the accounts on pages 63 to 65.

附屬公司
本公司於一九九六年十二月三十一日持有之主要附屬公司之詳情載於第八十一至八十五頁之賬目附註三十二。

SUBSIDIARIES
Details of the Company's principal subsidiaries at 31st December, 1996 are set out in note 32 to the accounts on pages 81 to 85.

慈善捐款
本集團在本年度之慈善捐款為367,969港元(一九九五年：426,326港元)。

CHARITABLE DONATIONS
Donations made for charitable purposes by the Group during the year amounted to HK$367,969 (1995: HK$426,326).

董事會

本年度內及截至本報告刊行日期為止之董事為：

劉國權先生	
William Garrett Bennett 先生	(於一九九七年二月十一日獲委任)
畢滌凡先生	
陳鉅添先生	
張國良先生	(於一九九七年二月十一日獲委任)
馮永昌先生	(於一九九七年二月十一日獲委任)
吳士元先生	(於一九九七年二月十一日獲委任)
吳卓明先生	
林傳智先生	(於一九九六年一月十三日辭任)
林振強先生	(於一九九六年一月十三日辭任)
張錦文先生	(於一九九六年十二月一日辭任)
朱斌先生	(於一九九七年二月十一日辭任)

根據本公司細則第98條及101(B)條，吳卓明先生、William Garrett Bennett 先生、張國良先生、馮永昌先生及吳士元先生輪值告退，備選再任。

截至本報告刊行日期，本公司董事及本集團高級管理人員之履歷載於第十至十二頁。

董事享有權益之合約

本公司或其任何附屬公司概無參與訂立於年終或年內任何時間令本公司任何董事擁有不論直接或間接之重大權益之合約。

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Mr. LAU Kwok Kuen, Peter	
Mr. William Garrett BENNETT	(appointed on 11th February, 1997)
Mr. Barry John BUTTIFANT	
Mr. CHAN Kui Tim, Jimmy	
Mr. CHEUNG Kwok Leung, Peter	(appointed on 11th February, 1997)
Mr. FUNG Wing Cheong, Charles	(appointed on 11th February, 1997)
Mr. NG Sze Yuen, Terry	(appointed on 11th February, 1997)
Mr. Edward James WU	
Mr. LAM Chuen Chi, Leo	(resigned on 13th January, 1996)
Mr. LAM Chun Keung, Richard	(resigned on 13th January, 1996)
Mr. CHEUNG Kam Man, Raymond	(resigned on 1st December, 1996)
Mr. CHU Bun, Wilson	(resigned on 11th February, 1997)

Messrs. Edward James Wu, William Garrett Bennett, Cheung Kwok Leung, Peter, Fung Wing Cheong, Charles and Ng Sze Yuen, Terry retire in accordance with Bye-Laws 98 and 101(B) of the Company's Bye-Laws and, being eligible, offer themselves for re-election.

Biographical details of the directors of the Company and senior management of the Group as at the date of this report are set out on pages 10 to 12.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a material interest, whether directly or indirectly, in any contract of significance subsisting during or at the end of the year to which the Company or any of its subsidiaries was a party.

董事享有之股份權益

於一九九六年十二月三十一日，董事實益擁有本公司的股份如下：

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 31st December, 1996, the interests of the directors in the share capital of the Company were as follows:

董事 Directors	持有股份數目及權益性質 Number of shares held and nature of interest 個人 Personal	家族 Family	公司 Corporate	總額 Total	持有尚未行使之購股權之股份數目 Number of shares over which outstanding options were held
劉國權 Lau Kwok Kuen, Peter	2,500,000	—	—	2,500,000	15,000,000
陳鉅添 Chan Kui Tim, Jimmy	780,000	—	—	780,000	11,000,000
朱斌 Chu Bun, Wilson	—	—	—	—	4,100,000

由於朱斌先生在一九九七年二月十一日辭任，彼持有之4,100,000股購股權已被註銷。

The 4,100,000 shares over which options had been granted to Mr. Chu Bun, Wilson were subsequently cancelled due to his resignation on 11th February, 1997.

除以上所述外，各董事及彼等之聯繫人士概無於本公司或任何聯繫公司（按證券（公開權益）條例（「該條例」）之涵義）之股本權益中擁有任何須遵照該條例第二十八條知會本公司及聯交所之權益（包括根據該條例第三十一條或附件第一部被視為或假定擁有之權益）或須遵照該條例第二十九條列入所述之登記名冊內之權益。

Save as disclosed above, none of the directors and their associates had any interests in the share capital of the Company or its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "Ordinance")) which have to be notified to the Company and the Stock Exchange pursuant to section 28 of the Ordinance (including interests which they are deemed or taken to have under section 31 or Part I of the Schedule to the Ordinance) or which are required, pursuant to section 29 of the Ordinance, to be entered in the register referred to therein.

董事購入股份或債券之權利

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

本年度內，本公司授出可認購普通股之購股權予以下董事：

During the year, options to subscribe for ordinary shares of the Company were granted to the following directors:

董事 Directors	已授出購股權之股份數目 Number of shares over which options were granted	每股行使價 Exercise price per share 港元 HK$
劉國權 Lau Kwok Kuen, Peter	5,000,000	5.66
陳鉅添 Chan Kui Tim, Jimmy	4,000,000	5.66

本年度內，沒有任何董事行使於年前授予之購股權。

During the year, none of the options granted in previous years were exercised by any directors.

除上述者外，本公司或其任何附屬公司年內概無訂立任何安排，致使本公司董事可藉購入本公司或其他法團之股份或債券而獲益。

Apart from the above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東

正如以前所公佈，本公司之前主要股東黎智英先生於一九九六年二月二十七日，把彼所持有本公司股本中每股面值0.10港元之股份191,526,481股(「配售股份」)悉數配售予120名分佈於香港、日本、新加坡、英國、其他歐洲國家及美國之機構及／或專業投資者(並無任何單一承配人獲配逾10%配售股份)，而此等機構及／或專業投資者均與本公司或其任何附屬公司之董事、行政總裁或主要股東或其個別聯繫人士(定義見上市規則)概無關連。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As previously announced, the former substantial shareholder of the Company, Mr. Lai Chee Ying, Jimmy, on 27th February, 1996 placed his entire shareholding of 191,526,481 shares of HK$0.10 each in the capital of the Company (the "Placed Shares") to 120 institutional and/or professional investors (with no single placee taking up more than 10% of the Placed Shares) located in Hong Kong, Japan, Singapore, the United Kingdom, other European countries and the United States of America who were independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules).

於一九九六年十二月三十一日，根據該條例第十六條，下列資料已記錄在由本公司保存之登記冊內：

At 31st December, 1996 the following information was recorded in the register kept by the Company under section 16 of the Ordinance:

(i) 本公司股本中之股份78,043,300股乃由保管人代Tiger Management L.L.C.(「TMLLC」)(前稱Tiger Management Corporation)、Tiger Performance L.L.C.(「TPLLC」)及Panther Management Corporation(「PMC」)持有；皆為投資組合之經理人。Julian H. Robertson, Jr.先生為TMLLC、TPLLC及PMC之控權股東。TMLLC、TPLLC、PMC及Julian H. Robertson, Jr.先生與本集團概無關連。

(i) 78,043,300 shares of the Company were held by custodian(s) for Tiger Management L.L.C. ("TMLLC") (formerly known as Tiger Management Corporation), Tiger Performance L.L.C. ("TPLLC") and Panther Management Corporation ("PMC"), managers of investment portfolios. Mr. Julian H. Robertson, Jr. is a controlling shareholder of all of TMLLC, TPLLC and PMC. None of TMLLC, TPLLC, PMC and Mr. Julian H. Robertson, Jr. is related to the Group.

(ii) Merrill Lynch International Bank 乃 TMLLC 及 TPLLC 管理之基金及投資組合的全球性保管人之一。Merrill Lynch International Bank 所持有之股份乃以 Citi (Nominees) Limited 名義持有。

(ii) Merrill Lynch International Bank serves as one of the global custodians for the funds and investment portfolios managed by TMLLC and TPLLC. The shares held by Merrill Lynch International Bank are held in the name of Citi (Nominees) Limited.

(iii) Panther Management Company, L.P. (其首要之合夥人為 PMC) 所管理之基金及投資組合的全球性保管人之一乃 Morgan Stanley Trust Company Limited。Morgan Stanley Trust Company Limited 所持有的股份以香港滙豐銀行代理人有限公司名義持有。

(iii) Morgan Stanley Trust Company Limited serves as one of the global custodians for the funds and investment portfolio managed by Panther Management Company, L.P., whose general partner is PMC. The shares held by Morgan Stanley Trust Company Limited are held in the name of Hongkong and Shanghai Banking Corporation (Nominees) Limited.

除上述披露者外，各董事並不察覺任何人士通知，謂其持有本公司已發行股份10%或以上而須予披露。

Save as disclosed above, the directors are not aware of any other person having an interest in shares representing 10% or more of the issued share capital of the Company.

服務合約

在即將召開之股東週年大會上應選連任之董事，概無與本公司或其附屬公司訂立本集團不可於一年內無須賠償(法定補償除外)而終止之服務合約。

SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

購回、售出或贖回本公司上市股份

在本年度內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司的上市股份。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

銀行貸款、透支及其它借款

於一九九六年十二月三十一日，銀行貸款、透支及其他借款於以下期間償還：

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The bank loans, overdrafts and other borrowings as at 31st December, 1996 are repayable over the following periods:

		銀行貸款及透支 Bank loans and overdrafts 千港元 HK$'000	融資租賃債務 Obligations under finance leases 千港元 HK$'000
即付或一年內	On demand or within one year	10,501	4,397
一年至兩年內	Between one and two years	0	4,430
兩年至五年內	Between two and five years	0	12,773
五年以上	Over five years	0	13,483
		10,501	35,083

公司管治

本公司並無任何董事知悉資料足以有理由地顯示本公司於年內未有遵守在上市規則附錄十四中之最佳應用守則(除指引七：本公司之非執行董事乃根據本公司細則獲委任直至輪值告退為止；及指引十一：由於公司政策，董事酬金是由本公司董事會委任之補償委員會(由兩位執行董事、兩位獨立非執行董事及一位獨立管理顧問組成)處理。

CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the year, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except in relation to guideline 7: as non-executive directors of the Company are appointed for a term expiring upon their retirement by rotation as required by the Company's Bye-Laws; and guideline 11: as a matter of Company policy, remuneration of directors is dealt with by a compensation committee appointed by the board of directors of the Company which comprises two executive directors, two independent non-executive directors and an independent management consultant.

核數師

再聘任已任滿之核數師永道會計師事務所之決議案，將於股東週年大會上提出。

AUDITORS

A resolution to reappoint the retiring auditors, Coopers & Lybrand, will be submitted at the Annual General Meeting.

承董事會命

劉國權
主席

香港，一九九七年五月十六日

On behalf of the board

LAU KWOK KUEN, PETER
Chairman

Hong Kong, 16th May, 1997

致 GIORDANO INTERNATIONAL LIMITED
(於百慕達註冊成立之有限公司)**各股東**

本核數師(以下簡稱「我們」)已完成審核刊於第四十五至八十五頁按照香港公認會計原則編製的財務報表。

董事及核數師各自的責任

公司董事有責任編製真實與公平的財務報表。在編製該等財務報表時，董事必須貫徹採用合適的會計政策。

我們的責任是根據我們審核工作的結果，對該等財務報表作出獨立意見，並向股東報告。

意見的基礎

我們是按照香港會計師公會頒佈的核數準則實行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合 貴公司及 貴集團的具體情況、及有否貫徹運用並足夠披露該等會計政策。

我們在策劃和進行審核工作時，均以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就該等財務報表是否存有重要錯誤陳述，作合理的確定。在作出意見時，我們亦已衡量該等財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

TO THE MEMBERS OF
GIORDANO INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the accounts set out on pages 45 to 85 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

在作出我們意見時，我們已考慮在財務報表內是否已足夠披露就中國海關發出之罰款通知書指涉嫌不適當地將免稅進口設備轉移及進口原料用量有差異之罰款總額合共約85,000,000港元及一份由工商行政管理局發出之罰款通知書指涉嫌違反營業執照之罰款額約8,000,000港元。就有關中國海關發出之罰款通知書，若干列示於資產負債表內為數約13,000,000港元之貿易資產已被扣存，及約5,000,000港元之保證金已存管於有關當局。在獲得有關法律意見後，因 貴公司仍對該等罰款通知書進行上訴， 貴公司董事會認為要評估 貴集團需付出之最終費用並不可行，因此已決定在現階段不會在賬目內作出準備。有關潛在性不確定事項之詳情載於第七十七及七十八頁之附註二十七。我們考慮有關潛在性不確定事項之最終結果可能會重大影響財務報表所列示之業績。董事會有信心任何可能導致之損失，將不會對貴集團之整體穩定狀況產生不利影響。我們認為此等事項已作出適當之估計及披露，故在此方面沒有作出保留意見。

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning penalty notices from the PRC customs authorities, amounting to approximately HK$85 million, alleging the improper transfer of duty free equipment and irregularities in the usage of raw materials, and a penalty notice in the amount of approximately HK$8 million from the Administration for Industry and Commerce for alleged breaches of a business licence. In connection with the penalty notices from the PRC customs authorities, certain trading assets included in the balance sheet at approximately HK$13 million, have been bonded and a security deposit of approximately HK$5 million made to the relevant authorities. Having taken relevant legal advice, the directors have decided not to make any provision in the accounts at this stage as the penalty notices are under appeal and it is not practicable to estimate the ultimate cost to the Group. Details of the circumstances relating to this inherent uncertainty, the resolution of which we consider could affect fundamentally the results reported in the accounts, are set out in note 27 on pages 77 and 78. The directors are confident that any loss that might arise would not adversely affect the stability of the Group as a whole. We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in this respect.

意見

我們認為，上述的財務報表均真實與公平地反映 貴公司及 貴集團於一九九六年十二月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照《香港公司條例》之披露規定適當編製。

OPINION

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st December, 1996 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

永道會計師事務所

香港執業會計師
香港，一九九七年五月十六日

Coopers & Lybrand

Certified Public Accountants
Hong Kong, 16th May, 1997

截至一九九六年十二月三十一日止年度 For the year ended 31st December, 1996

		附註 Note	1996 千港元 HK$'000	1995 千港元 HK$'000
營業額	Turnover	2	**3,522,047**	3,481,967
營業溢利	Operating profit	4	**293,531**	289,483
所佔聯營公司溢利	Share of profit of associated companies		**21,871**	4,765
除稅前溢利	Profit before taxation		**315,402**	294,248
稅項	Taxation	7	**(54,170)**	(31,653)
除稅後溢利	Profit after taxation		**261,232**	262,595
少數股東權益	Minority interests		**1**	(12,367)
股東應佔溢利	Profit attributable to the members	8	**261,233**	250,228
股息	Dividends	9	**113,492**	92,421
每股盈利	Earnings per share	10	**36.9¢**	38.8¢

載於第四十九至八十五頁之附註為本賬目之一部份。

The notes on pages 49 to 85 form an integral part of these accounts.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

一九九六年十二月三十一日

At 31st December, 1996

		附註 Note	集團 Group 1996 千港元 HK$'000	1995 千港元 HK$'000	公司 Company 1996 千港元 HK$'000	1995 千港元 HK$'000
無形資產	Intangible assets	11	**4,974**	5,950	**0**	0
固定資產	Fixed assets	12	**354,576**	375,413	**1,880**	0
發展中物業	Property under development	13	**99,454**	48,705	**0**	0
所佔附屬公司之權益	Interest in subsidiaries	14	**0**	0	**1,145,506**	1,194,616
所佔聯營公司之權益	Interest in associated companies	15	**43,763**	28,562	**0**	0
其他投資	Other investments	16	**835**	2,111	**0**	0
流動資產	Current assets	17	**1,083,809**	1,063,123	**49,787**	42,026
流動負債	Current liabilities	18	**(413,535)**	(567,126)	**(84,413)**	(171,014)
流動資產/(負債)淨值	Net current assets/ (liabilities)		**670,274**	495,997	**(34,626)**	(128,988)
			1,173,876	956,738	**1,112,760**	1,065,628
股本	Share capital	20	**71,057**	70,792	**71,057**	70,792
儲備金	Reserves	21	**1,067,210**	840,947	**1,041,703**	994,836
股東資金	Shareholders' funds		**1,138,267**	911,739	**1,112,760**	1,065,628
非流動負債	Non-current liabilities	22	**27,352**	36,719	**0**	0
少數股東權益及貸款	Interests of and loan from minority shareholders	25	**8,257**	8,280	**0**	0
			1,173,876	956,738	**1,112,760**	1,065,628

此等賬目已於一九九七年五月十六日經董事會批准

Approved by the Board of Directors on 16th May, 1997

劉國權
LAU KWOK KUEN, PETER
董事
Director

陳鉅添
CHAN KUI TIM, JIMMY
董事
Director

載於第四十九至八十五頁之附註為本賬目之一部份。

The notes on pages 49 to 85 form an integral part of these accounts.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

截至一九九六年十二月三十一日止年度

For the year ended 31st December, 1996

		附註 Note	1996 千港元 HK$'000	1995 千港元 HK$'000
經營業務所得現金流入淨額	Net cash inflow from operating activities	29	**289,608**	321,610
投資回報與融資償還：	**Returns on investments and servicing of finance:**			
收取利息	Interest received		5,653	3,852
支付利息	Interest paid		(2,839)	(11,925)
融資租賃之利息支出	Interest on finance leases		(3,136)	(3,306)
收取聯營公司股息	Dividends received from associated company		208	0
支付股息	Dividends paid		(95,662)	(76,223)
投資回報與融資償還之現金流出淨額	**Net cash outflow from returns on investments and servicing of finance**		(95,776)	(87,602)
稅項：	**Taxation:**			
繳付香港利得稅	Hong Kong profits tax paid		(4,370)	(14,872)
繳付海外稅項	Overseas tax paid		(34,366)	(26,158)
已繳稅項	**Tax paid**		(38,736)	(41,030)
投資業務：	**Investing activities:**			
購買固定資產	Purchase of fixed assets		(94,927)	(234,628)
發展中物業	Property under development		(50,749)	(32,237)
銷售固定資產收入	Proceeds from sale of fixed assets		3,589	2,355
出售其他投資項目收入	Proceeds from sale of other investment		210	0
購買附屬公司餘下權益	Purchase of remaining interest in subsidiaries		(36,437)	(109,072)
購買聯營公司權益	Purchase of interest in an associated company		(1,263)	(11,657)
購買其他投資項目	Purchase of other investments		0	(825)
購買無形資產	Purchase of intangible assets		(841)	(452)
投資業務之現金流出淨額	**Net cash outflow from investing activities**		(180,418)	(386,516)
集資前之現金流出淨額轉第四十八頁	**Net cash outflow before financing carried forward to page 48**		(25,322)	(193,538)

載於第四十九至八十五頁之附註為本賬目之一部份。

The notes on pages 49 to 85 form an integral part of these accounts.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

截至一九九六年十二月三十一日止年度 For the year ended 31st December, 1996

		附註 Note	1996 千港元 HK$'000	1995 千港元 HK$'000
集資前之現金流出淨額 承第四十七頁	Net cash outflow before financing brought forward from page 47		(25,322)	(193,538)
集資：	**Financing:**			
償還融資租賃債務	Repayment of obligations under finance leases	30	(4,396)	(16,998)
償還少數股東之貸款	Repayment of loan from minority shareholder		0	(77,910)
少數股東之貸款	Loan from minority shareholder		0	6,344
發行股份收入	Proceeds from issue of share capital	30	12,884	443,140
集資所得現金流入淨額	**Net cash inflow from financing**		8,488	354,576
現金及現金等額之(減少)/增加	**(Decrease)/increase in cash and cash equivalents**		(16,834)	161,038
年初現金及現金等額結存	**Cash and cash equivalents at the beginning of the year**		196,408	37,365
外幣匯率變動之影響	**Effect of foreign exchange rate changes**		(1,493)	(1,995)
年終現金及現金等額結存	**Cash and cash equivalents at the end of the year**	31	178,081	196,408

載於第四十九至八十五頁之附註為本賬目之一部份。

The notes on pages 49 to 85 form an integral part of these accounts.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

一、 主要會計政策

本賬目均按照香港公認之會計原則及香港會計師公會頒佈之會計實務準則編制。在編制賬目中所採用之主要會計政策列出如下：

(甲) 綜合基準

(i) 綜合賬目包括本公司及其附屬公司截至一九九六年十二月三十一日止之賬目。

(ii) 集團內部之重大交易及賬目已於綜合賬目時撤銷。

(iii) 於本年度內收購之附屬公司業績由收購生效日起計算在綜合損益賬內。

(iv) 少數股東權益指外界股東所佔附屬公司經營成果及資產淨值之權益。

(v) 由合併而產生之綜合資本儲備金或商譽是指收購附屬公司時該附屬公司資產淨值之公平價值超越或低於投資成本所產生之數。

(vi) 由合併而產生之綜合資本儲備金直接撥入儲備金內。而綜合商譽會於綜合資本儲備賬目內抵銷，如儲備金不足以抵銷，便在其它儲備金賬目中撤除。

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and the accounting standards issued by the Hong Kong Society of Accountants. The principal accounting policies which have been adopted in the preparation of these accounts are set out below:

(a) Basis of consolidation

(i) The consolidated accounts incorporate the accounts of the Company and its subsidiaries made up to 31st December, 1996.

(ii) All material intercompany transactions and balances within the Group are eliminated on consolidation.

(iii) The results of subsidiaries acquired during the year are dealt with in the consolidated profit and loss account from the effective dates of acquisition.

(iv) Minority interests represent the interests of outside members in the operating results and net assets of subsidiaries.

(v) Capital reserve or goodwill arising on consolidation represents the excess or deficit respectively of the fair value of the net assets of the subsidiaries at the dates of acquisition over the value of the consideration paid.

(vi) Capital reserve arising on consolidation is taken directly to reserves. Goodwill arising on consolidation is eliminated against any capital reserve arising on consolidation and, where the reserve is insufficient, against other available reserves.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

一、 主要會計政策(續)

(乙) 附屬公司

附屬公司為本集團直接或間接持有該等公司多於50%之投票權或已發行之股本或擁有組成董事局之控制權。

附屬公司投資數額，以成本入賬，並根據董事之意見減除永久減值準備。

(丙) 聯營公司

聯營公司並非附屬公司，而集團擁有其股權不少於20%作為長期投資，並可對其管理有重大影響力者。在集團方面，聯營公司業績以權益入賬法列入賬內；而在公司方面，以成本並減除所需永久減值準備列賬。

(丁) 固定資產

(i) 永久業權土地以成本值入賬及不作攤銷。

(ii) 租約土地及其樓宇、裝修及其它固定資產以成本值扣除累積攤銷或折舊後入賬。成本值指資產之購買價格及其他有關費用。

1. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(b) **Subsidiaries**

A subsidiary is a company in which the Company, directly or indirectly, controls more than 50% of its voting power or issued share capital or controls the composition of its board of directors.

Investments in subsidiaries are carried at cost, unless, in the opinion of the directors, there has been a permanent diminution in value when they are written down to directors' valuation.

(c) **Associated companies**

Associated companies are those other than subsidiaries in which the Group holds not less than 20% of their equity as a long term investment and has the ability to exercise a significant influence in their management. Associated companies are accounted for by the Group under the equity method of accounting, and by the Company at cost less any provision required for permanent diminution in value.

(d) **Fixed assets**

(i) Freehold land is stated at cost and is not amortised.

(ii) Leasehold land and buildings, leasehold improvements and other fixed assets are stated at cost less accumulated amortisation or depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

核數師報告書載於第四十三及四十四頁

Auditors' report — pages 43 and 44

一、主要會計政策(續)

(丁) 固定資產(續)

(iii) 租約土地之攤銷是以其賬面金額按剩餘租約年期計算。

於以前年度，長期租約土地均以成本值入賬及不作攤銷。從一九九六年一月一日起，按照香港會計師公會頒佈之會計實務準則第十七章，本集團對持有長期租約之土地按其剩餘租約年期作攤銷。

(iv) 持有租約之土地其樓宇及裝修之折舊是以其賬面金額按剩餘租約年期或其估計於本集團可使用年期兩者之較短者計算。資產賬面金額指包括在資產負債表內以成本值或估值價經扣除累積折舊之金額。

(v) 其他固定資產之折舊乃將資產成本值按其估計於本集團可使用年期以直線方式撇銷，採用之主要折舊年率如下：

機器及設備	20%
傢俬及固定裝置	20% - 50%
辦公室設備	20% - 25%
汽車	20% - 25%
遊艇	20%

1. **PRINCIPAL ACCOUNTING POLICIES** (cont'd)

(d) **Fixed assets** (cont'd)

(iii) Amortisation of leasehold land is calculated to write off its cost over the unexpired period of the lease.

In prior years, interests in long term leasehold land were recorded in the balance sheet at cost and were not amortised. With effect from 1st January, 1996, the Group adopted the method of amortising long term leasehold land prospectively over the unexpired period of the lease in compliance with Statement of Standard Accounting Practice No. 17 issued by the Hong Kong Society of Accountants.

(iv) Depreciation of leasehold buildings and improvements is calculated to write off their carrying amounts over the unexpired periods of the leases or their expected useful lives to the Group whichever is shorter. An asset's carrying amount is the amount at which it is included in the balance sheet, whether at cost or valuation, after deducting any accumulated depreciation.

(v) Depreciation of other fixed assets is calculated to write off their costs on the straight line basis over their expected useful lives to the Group. The principal annual rates used for this purpose are:

Plant and machinery	20%
Furniture and fixtures	20% - 50%
Office equipment	20% - 25%
Motor vehicles	20% - 25%
Leisure boat	20%

一、主要會計政策(續)

(丁) 固定資產(續)

(vi) 出售固定資產之溢利或虧損是出售淨收益與有關資產之賬面金額之差額，並於損益表內處理。

(vii) 租賃資產
如資產是經融資租賃合約取得，而主要的風險及回報權益除卻合法擁有權均轉移到集團，此等資產當作已購買，並以相等於成本值之金額列入固定資產中。而對應之租賃付款承擔則列入融資租賃債務中。支付給出租人之款項是包括本金及利息。此等利息之費用已於損益賬中處理。融資租賃之資產折舊是按其估計可使用之年期或租賃期兩者之較短者計算。其它租賃均以營業租約入賬，而此等租金支出已在損益賬中處理。

(戊) 發展中物業
發展中物業以成本值入賬。此成本值包括土地及有關發展之成本。待發展工程及建築完成後，發展中物業將重新列為土地及樓宇。

1. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(d) **Fixed assets** (cont'd)

(vi) The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(vii) Leased assets
Where assets are acquired through finance leases under which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Group, the assets are treated as if they had been purchased. An amount equivalent to the cost is recorded as a fixed asset. The corresponding lease commitments are shown as obligations under finance leases. Payments to the lessor are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account. Assets held under finance leases are depreciated over the shorter of their estimated useful lives or lease periods. All other leases are accounted for as operating leases and the rental payments are charged to the profit and loss account.

(e) **Properties under development**
Properties under development are stated at cost. Cost comprises land and related development costs. Properties under development will be reclassified as land and buildings upon the completion of the construction and development work.

一、主要會計政策(續)

(己) 無形資產

零售商店及辦公室之開辦費及租約溢價分類為無形資產並以成本值扣除累積攤銷入賬及按各有關之租約期限以直線法作攤銷。

(庚) 其他投資

購入之會所債券予以資本化及於三年內攤銷。

(辛) 存貨

存貨按成本與可變現淨值兩者中之較低值入賬。成本乃按加權平均之基準並按下列方法計算:

(i) 原料及購入貨品 — 按發票價加採購成本。

(ii) 在製貨品及製成品 — 直接物料成本、直接勞工成本及應佔之生產費用。

可變現淨值乃存貨在正常業務情況下之售價扣除變賣費用,及扣除製成產品之估計成本。

1. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(f) Intangible assets

Preliminary expenses and lease premiums in respect of retail shops and office premises are classified as intangible assets and are stated at cost less accumulated amortisation. Amortisation is provided on the straight line basis over the terms of the respective leases.

(g) Other investments

Purchased club debentures are capitalised and amortised over a period of three years.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and is arrived at as follows:

(i) Raw materials and purchased goods — invoiced prices plus procurement costs.

(ii) Work in progress and finished goods — cost of direct materials, direct labour and an appropriate proportion of production overheads.

Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

一、 主要會計政策(續)

(壬) 稅項

稅項乃根據是年度之溢利計算，且已就若干毋須課稅或不獲寬減之項目作出調整。部份收入及支出項目在稅務上及賬目上計入不同年度而引致時間差距。倘若時差在稅項上之影響有可能在可見將來確定為稅務負債或資產，則在賬目中採用負債法作出準備。

(癸) 外幣換算

年內之外幣交易乃按交易當日之匯率換算為港元。以外幣結算之貨幣性資產及負債均以資產負債表結算日之匯率換算成為港元入賬。所產生之匯兑差額均已計入經營業績內。

海外附屬公司及分公司之賬目乃按資產負債表結算日之匯率換算成為港元。此等公司之股本及期初儲備金之匯兑差額已直接撥入匯兑儲備金內。

(子) 收入

年內銷貨收入乃基於貨物已銷售及交收。

利息收入乃按應計法確認。

二、 營業額

營業額包括於年內售予集團以外客戶之售貨值，並已扣除退貨及折扣。

1. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(i) Taxation

The charge for taxation is based on the profit for the year as adjusted for items which are non-assessable or disallowable. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the accounts. The tax effect of timing differences, computed under the liability method, is recognised in the accounts to the extent that it is probable a liability or an asset will crystallise in the foreseeable future.

(j) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are incorporated into the accounts by translating foreign currencies into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising therefrom are included in operating results.

The accounts of overseas subsidiaries and branches at the year end are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the translation of share capital and opening reserves of these entities are taken directly to exchange reserve.

(k) Revenue

Revenue in respect of goods sold during the year is recognised on the basis of goods sold and delivered.

Interest income is recognised on an accrual basis.

2. TURNOVER

Turnover comprises the total amount receivable for the year from sales to customers outside the Group at invoiced value, less returns and discounts.

三、 收入 3. REVENUE

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
零售及分銷業務之營業收入	Sales revenue from retailing and distribution operations	**3,061,168**	3,117,803
製衣業務之營業收入	Sales revenue from manufacturing operations	**460,879**	364,164

四、 營業溢利 4. OPERATING PROFIT

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
營業溢利已扣除下列各項:	**The operating profit is stated after charging:**		
核數師酬金	Auditors' remuneration	**1,815**	1,870
已擁有固定資產折舊	Depreciation of owned fixed assets	**109,802**	96,684
融資租賃之固定資產折舊	Depreciation of fixed assets held under finance leases	**2,893**	3,099
無形資產攤銷	Amortisation of intangible assets	**1,760**	2,060
其他投資攤銷	Amortisation of other investments	**1,277**	1,187
銀行貸款及透支(一年內償還)之利息	Interest on bank loans and overdrafts repayable within 1 year	**2,839**	9,048
其他貸款之利息	Interest on other loans	**0**	2,877
零售商店、辦公室、工廠及貨倉之營業租約費用	Operating lease rentals in respect of retail shops, office premises, factories and warehouses	**477,202**	465,927
融資租賃之利息支出	Interest on finance leases	**3,136**	3,306
出售固定資產之虧損	Loss on disposal of fixed assets	**0**	4,213

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四、營業溢利(續) 4. OPERATING PROFIT (cont'd)

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
並已計入:	and after crediting:		
利息收入	Interest income	**5,653**	3,852
暫時轉撥出口配額所得之收入淨額	Net income arising from the temporary transfer of export quota entitlements	**3,681**	4,725
出售固定資產之盈利	Profit on disposal of fixed assets	**743**	0
出售其他投資項目之盈利	Profit on disposal of other investment	**210**	0

五、董事及高級管理人員酬金 5. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(甲) 非執行董事酬金如下: (a) Non-executive directors' emoluments are as follows:

		1996 千港元 HK$'000	1995 千港元 HK$'000
董事袍金	Directors' fees	**480**	400

(乙) 執行董事酬金如下: (b) Executive directors' emoluments are as follows:

		1996 千港元 HK$'000	1995 千港元 HK$'000
董事管理酬金:	For management:		
基本薪金、房屋津貼、其他津貼及實物收益	Basic salaries, housing allowances, other allowances and benefits in kind	**8,375**	10,021
獎金	Bonuses	**9,281**	10,496
退休金供款	Pension contributions	**323**	341
		17,979	20,858

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五、董事及高級管理人員酬金(續)

(乙) 執行董事酬金如下:(續)

於本年度內,按照本公司之僱員購股權計劃,本公司以每股行使價5.66港元將9,000,000普通股之購股權授予董事。本公司股份於一九九六年十二月三十一日之收市價為6.60港元。該等購股權之行使期限為二零零五年五月二十八日。

(丙) 董事數目按酬金組別歸類如下。酬金指本公司董事在各財務年度任期內已收或應收之款項並已除去從購股權計劃中購買股份而獲得或將會獲得之利益。

5. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (cont'd)

(b) Executive directors' emoluments are as follows: (cont'd)

During the year, the directors were granted options under the Company's employee share option scheme to acquire 9,000,000 ordinary shares of the Company at HK$5.66 per share. The closing market price of the Company's shares as at 31st December, 1996 was HK$6.60. The expiry date of these options is 28th May, 2005.

(c) The number of directors whose emoluments fell within the following bands are set out below. The emoluments represent the amounts paid to or receivable by the directors while being directors of the Company in the respective financial years and are stated net of the benefits derived or to be derived from the options granted under the option scheme to acquire the ordinary shares of the Company.

董事酬金 Directors' emoluments 港元 HK$	**董事數目 Number of directors** **1996**	 1995
0 — 1,000,000	**4**	3
1,000,001 — 1,500,000	**1**	0
1,500,001 — 2,000,000	**0**	1
2,000,001 — 2,500,000	**1**	2
3,500,001 — 4,000,000	**1**	0
4,000,001 — 4,500,000	**0**	1
9,500,001 — 10,000,000	**0**	1
10,500,001 — 11,000,000	**1**	0
	8	8

截至一九九六年十二月三十一日止,並無董事放棄酬金。

No directors have waived emoluments in respect of the year ended 31st December, 1996.

五、 董事及高級管理人員酬金(續)

(丁) 五位最高薪職員中，三位(一九九五年：三位)為本公司董事，其酬金之詳情已於前段披露。其餘兩位最高薪職員，其酬金總額如下：

5. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (cont'd)

(d) Among the five highest paid individuals, three (1995: three) are directors of the Company and the details of their remuneration have already been disclosed in the preceding paragraph. The aggregate amounts of the remaining two highest paid individuals are as follows:

		1996 千港元 HK$'000	1995 千港元 HK$'000
基本薪金、房屋津貼、其他津貼及實物收益	Basic salaries, housing allowances, other allowances and benefits in kind	**2,970**	2,880
獎金	Bonuses	**406**	1,557
退休金供款	Pension contributions	**115**	136
		3,491	4,573

兩位最高薪職員數目按酬金組別歸類如下：

The emoluments of the two highest paid individuals fell within the following bands:

酬金 Emoluments 港元 HK$	人數 Number of Individuals 1996	 1995
1,500,001 — 2,000,000	**2**	0
2,000,001 — 2,500,000	**0**	2
	2	2

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六、 退休金計劃安排

本公司及部分全資附屬公司實行定額供款制公積金計劃(「佐丹奴計劃」)。虎威企業有限公司(本公司之全資附屬公司)亦分別實行定額供款制公積金計劃(「虎威計劃」)。在佐丹奴計劃及虎威計劃下，僱員及僱主分別按僱員每月的月薪5%供款。

在此等計劃下，僱員因終止合約而未能領取僱主之供款，僱主則利用此筆款項減低其將來之供款水平。截至一九九六年十二月三十一日止年度，在佐丹奴計劃及虎威計劃下，此筆用作減低供款之款項數目分別為1,833,000港元(一九九五年：2,254,000港元)及186,000港元(一九九五年：596,000港元)。於一九九六年十二月三十一日，在佐丹奴計劃及虎威計劃下，此等可用作減少來年僱主供款水平之款項分別為2,617,000港元(一九九五年：1,833,000港元)及597,000港元(一九九五年：315,000港元)。

Giordano Originals (Singapore) Private Limited 及 Giordano (M) Sdn. Bhd. 為本公司在新加坡及馬來西亞之附屬公司。該兩家公司分別參與由新加坡及馬來西亞政府制定之中央定額供款制公積金計劃。

本集團退休金費用在截至一九九六年十二月三十一日止年度損益賬中列支的數額為13,868,000港元(一九九五年：12,876,000港元)。

6. PENSION SCHEME ARRANGEMENTS

The Company and certain of its wholly-owned subsidiaries operate a defined contribution provident scheme (the "Giordano Scheme"). Tiger Enterprises Limited (a wholly-owned subsidiary of the Company) also separately operates a defined contribution provident scheme (the "Tiger Scheme"). Under both the Giordano Scheme and the Tiger Scheme, contributions of 5% of the employee's monthly salary are made by each of the employer and the employee.

Under both schemes, the unvested benefits of employees terminating employment are utilised by the employers to reduce their future levels of contributions. The amounts of unvested benefits so utilised under the Giordano Scheme and the Tiger Scheme during the year ended 31st December, 1996 were HK$1,833,000 (1995: HK$2,254,000) and HK$186,000 (1995: HK$596,000) respectively. As at 31st December, 1996, the amounts available for reducing the levels of employers' contributions for the following year under the Giordano Scheme and the Tiger Scheme were HK$2,617,000 (1995: HK$1,833,000) and HK$597,000 (1995: HK$315,000) respectively.

The Company's subsidiaries in Singapore and Malaysia, namely Giordano Originals (Singapore) Private Limited and Giordano (M) Sdn. Bhd., participate in central defined contribution provident fund schemes established by the Singaporean and Malaysian authorities.

The Group's pension cost charged to the profit and loss account for the year ended 31st December, 1996 was HK$13,868,000 (1995: HK$12,876,000).

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七、 稅項

(甲) 稅項在綜合損益表內包括下列項目：

7. TAXATION

(a) The charge for taxation in the consolidated profit and loss account represents:

	集團 Group	
	1996 千港元 HK$'000	1995 千港元 HK$'000
本公司及其附屬公司： The Company and subsidiaries:		
— 香港利得稅 — Hong Kong profits tax	**12,884**	8,830
— 海外稅項 — Overseas taxation	**40,645**	22,634
— 遞延稅項(附註二十三) — Deferred taxation (Note 23)	**(5,274)**	(1,534)
聯營公司： Associated companies:		
— 海外稅項 — Overseas taxation	**5,915**	1,723
	54,170	31,653

本公司及其香港附屬公司之稅項準備是根據本年度從香港取得之估計應課溢利按16.5%(一九九五：16.5%)計算。

The provision for taxation of the Company and its Hong Kong subsidiaries is calculated by applying the current rate of taxation of 16.5% (1995: 16.5%) to the estimated assessable profits earned in or derived from Hong Kong during the year.

本集團向香港稅務局要求本年度及過去幾年支付某些特許權的費用共計約284,268,000港元作為稅務減項。其有關之稅項約為47,740,000港元。此等要求有待香港稅務局之認同。董事會認為可以成功取得稅務局之認同，因此並未在綜合賬目內作應付準備。

The Group has claimed deductions for certain royalty payments in the current and prior years totalling approximately HK$284,268,000. The tax effect thereof is approximately HK$47,740,000. The claim is subject to the endorsement of the Hong Kong Inland Revenue Department. The directors are of the opinion that the endorsement of the Hong Kong Inland Revenue Department will be successfully obtained and in consequence no provision is made in these accounts.

其他於海外經營之附屬公司之利得稅項是根據該等國家稅例之稅率而計算。

Taxation on the profits of other subsidiaries operating overseas is calculated at the rates applicable in the respective jurisdictions.

七、 **稅項(續)**

(乙) 資產負債表內之稅項指香港及海外利得稅項之金額，減去已付之暫繳稅款。

八、 **股東應佔溢利**

本公司股東應佔溢利261,233,000港元(一九九五年：250,228,000港元)中，公司本身賬目之溢利為147,740,000港元(一九九五年：81,397,000港元)，其中包括來自附屬公司之股息146,197,000港元(一九九五年：81,824,000港元)。

九、 **股息**

7. **TAXATION** (cont'd)

(b) Taxation in the balance sheet represents the amount provided for Hong Kong profits tax and overseas taxation less provisional tax paid.

8. **PROFIT ATTRIBUTABLE TO THE MEMBERS**

Included in the profit of HK$261,233,000 (1995: HK$250,228,000), attributable to the members of the Company is HK$147,740,000 (1995: HK$81,397,000), including dividends from subsidiaries of HK$146,197,000 (1995: HK$81,824,000), which is dealt with in the Company's own accounts.

9. **DIVIDENDS**

		1996 **千港元** **HK$'000**	1995 千港元 HK$'000
中期股息每股4.5仙 (一九九五：4.5仙) 於一九九六年九月五日派發	Interim dividend of 4.5 cents (1995: 4.5 cents) per share paid on 5th September, 1996	**31,949**	28,708
建議末期股息每股11.5仙 (一九九五年：9.0仙)	Proposed final dividend of 11.5 cents (1995: 9.0 cents) per share	**81,543**	63,713
		113,492	92,421

十、 每股盈利

每股盈利乃按本年度股東應佔綜合溢利261,233,000港元（一九九五年：250,228,000港元）及本年度內之加權平均已發行股份708,680,599股（一九九五年：645,331,693股）而計算。

由於按購股權計劃而行使之購股權不會嚴重攤薄截至一九九六年十二月三十一日止年度之每股盈利，因此並無列示攤薄後之每股盈利。

10. EARNINGS PER SHARE

The calculation of earnings per share is based on the consolidated operating profit attributable to the members for the year of HK$261,233,000 (1995: HK$250,228,000) and the weighted average of 708,680,599 shares (1995: 645,331,693 shares) in issue during the year.

The exercise of the options granted under the option scheme would not materially dilute the earnings per share in respect of the year ended 31st December, 1996 and accordingly the diluted earnings per share is not shown.

十一、 無形資產

11. INTANGIBLE ASSETS

	集團 Group 1996 千港元 HK$'000	集團 Group 1995 千港元 HK$'000
零售店鋪及辦公室之開辦費及租約溢價 Preliminary expenses and lease premiums in respect of retail shops and office premises	**9,352**	8,759
減：攤銷數額 Less: amounts amortised	**(4,378)**	(2,809)
	4,974	5,950

已購入之永久出口配額成本值共17,019,000港元於以前年度已完全攤銷。

Purchased permanent export quota entitlements with a total cost of HK$17,019,000 have been fully amortised in the previous years.

一九九六年十二月三十一日

At 31st December, 1996

十二、固定資產

12. FIXED ASSETS

集團

Group

	永久業權之土地及樓宇 Freehold land & buildings 千港元 HK$'000	持有租約之土地及樓宇 Leasehold land & buildings 千港元 HK$'000	機器及設備 Plant & machinery 千港元 HK$'000	租賃物業裝修、傢俬、固定裝置及設備 Leasehold improvements, furniture, fixtures & office equipment 千港元 HK$'000	汽車及遊艇 Motor vehicles & leisure boat 千港元 HK$'000	總計 Total 千港元 HK$'000
成本值 Cost						
於一九九六年一月一日 At 1st January, 1996	44,258	88,859	69,373	410,147	22,168	634,805
換算差額 Translation difference	(309)	0	(14)	(236)	2	(557)
添置 Additions	0	344	20,008	69,557	5,365	95,274
出售 Disposals	0	(334)	0	(30,782)	(4,160)	(35,276)
於一九九六年十二月三十一日 At 31st December, 1996	43,949	88,869	89,367	448,686	23,375	694,246
累積折舊 Aggregate depreciation						
於一九九六年一月一日 At 1st January, 1996	181	3,783	32,790	211,963	10,675	259,392
換算差額 Translation difference	(1)	0	(2)	14	2	13
本年折舊 Charge for the year	719	3,647	12,371	91,614	4,344	112,695
出售 Disposals	0	0	0	(29,266)	(3,164)	(32,430)
於一九九六年十二月三十一日 At 31st December, 1996	899	7,430	45,159	274,325	11,857	339,670
於一九九六年十二月三十一日之賬面淨值 Net book value at 31st December, 1996	**43,050**	**81,439**	**44,208**	**174,361**	**11,518**	**354,576**
於一九九五年十二月三十一日之賬面淨值 Net book value at 31st December, 1995	44,077	85,076	36,583	198,184	11,493	375,413

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十二、固定資產(續)

(甲) 永久業權之土地及樓宇位於台灣。

(乙) 持有租約之土地及樓宇位於中華人民共和國(「中國」),賬面價值10,814,000港元的物業是以長期租約持有,其餘物業是以中期租約持有(即少於50年但多於10年)。

(丙) 於一九九六年十二月三十一日,以融資租賃購買之土地及樓宇之成本值及累積折舊分別為70,904,000港元(一九九五年:70,904,000港元)及5,672,000港元(一九九五年:2,836,000港元)。

(丁) 於一九九六年十二月三十一日,以融資租賃購買之辦公室設備之總成本值及累積折舊分別為575,000港元(一九九五年:201,000港元)及115,000港元(一九九五年:54,000港元)。

12. FIXED ASSETS (cont'd)

(a) The freehold land and buildings are situated in Taiwan.

(b) The leasehold land and buildings are situated in the People's Republic of China (the "PRC"). Properties with carrying value of HK$10,814,000 are held under long leases. The remaining properties are held under medium term leases (less than 50 years but more than 10 years).

(c) At 31st December, 1996, leasehold land and buildings with cost and aggregate depreciation of HK$70,904,000 (1995: HK$70,904,000) and HK$5,672,000 (1995: HK$2,836,000) respectively were held under finance leases.

(d) At 31st December, 1996, office equipment with a total cost and aggregate depreciation of HK$575,000 (1995: HK$201,000) and HK$115,000 (1995: HK$54,000) respectively was held under finance leases.

十二、固定資產(續) 12. FIXED ASSETS (cont'd)

公司 Company

		租賃物業裝修、傢俬、固定裝置及設備 Leasehold improvements, furniture, fixtures & office equipment 千港元 HK$'000
成本值	**Cost**	
添置	Additions	3,118
出售	Disposals	(58)
於一九九六年十二月三十一日	At 31st December, 1996	3,060
累積折舊	**Aggregate depreciation**	
本年折舊	Charge for the year	1,199
出售	Disposals	(19)
於一九九六年十二月三十一日	At 31st December, 1996	1,180
於一九九六年十二月三十一日之賬面淨值	**Net book value at 31st December, 1996**	**1,880**
於一九九五年十二月三十一日之賬面淨值	Net book value at 31st December, 1995	0

十三、發展中物業 13. PROPERTY UNDER DEVELOPMENT

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
一月一日之結餘	Balance at 1st January	**48,705**	16,468
添置成本值	Additions at cost	**50,749**	32,237
十二月三十一日之結餘	Balance at 31st December	**99,454**	48,705

此物業位於中國及以長期租約持有，並將興建成為本集團之生產廠房。

The property is situated in the PRC and is held under a long term lease. The property is being developed into factory premises for the manufacturing operations of the Group.

十四、所佔附屬公司之權益 14. INTEREST IN SUBSIDIARIES

		公司 Company	
		1996 千港元 HK$'000	1995 千港元 HK$'000
非上市股份、成本值	Unlisted investments, at cost	**786,919**	850,097
附屬公司欠款	Amounts due from subsidiaries	**358,587**	344,519
		1,145,506	1,194,616

附屬公司欠款均為無抵押及無固定還款期。除了一間全資附屬公司的欠款約74,000,000港元為附息借款外，其他附屬公司欠款均為免息。

Amounts due from subsidiaries are unsecured and have no fixed terms of repayment. Apart from the interest bearing loans advanced to a wholly owned subsidiary of approximately HK$74 million, the remaining amounts due from subsidiaries are non-interest bearing.

主要附屬公司之詳情載於第八十一至八十五頁之賬目附註三十二。

Details of principal subsidiaries are set out in Note 32 to the accounts on pages 81 to 85.

十五、所佔聯營公司之權益 15. INTEREST IN ASSOCIATED COMPANIES

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
所佔資產淨值	Share of net assets	43,030	27,372
於收購時之溢價	Premium on acquisition of associated companies	2,046	784
匯兑調整	Exchange adjustment	(1,313)	406
		43,763	28,562

於一九九六年十二月三十一日，本集團持有以下聯營公司股份：

At 31st December, 1996, the Group held shares in the following associated companies:

聯營公司名稱 Name of associate	註冊成立地點 Place of incorporation	持有股份百分比 Percentage holding 1996	1995	已發行及全數繳足股份 Issued and fully paid share capital	主要業務及經營地區 Principal activities and place of operation
Giordano Corporation Limited	大韓民國 Republic of Korea	50	50	普通股 5,000,000,000韓國元 Ordinary WON5,000,000,000	在韓國經營零售服裝及配襯用品 Retailing of apparel and accessories in Korea
Giordano Fashions (L.L.C.)	阿拉伯聯合酋長國 United Arab Emirates	20	20	普通股 3,000,000 沙地阿拉伯聯合酋長國迪拉姆 Ordinary AED3,000,000	在阿拉伯聯合酋長國經營零售服裝及配襯用品 Retailing of apparel and accessories in United Arab Emirates

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十六、其他投資 16. OTHER INVESTMENTS

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
會所債券，成本值	Club debentures, at cost	**6,391**	6,508
減：攤銷數額	Less: amounts amortised	**(5,556)**	(4,397)
		835	2,111

十七、流動資產 17. CURRENT ASSETS

		集團 Group		公司 Company	
		1996 千港元 HK$'000	1995 千港元 HK$'000	1996 千港元 HK$'000	1995 千港元 HK$'000
存貨（附註十九及二十七）	Inventories (Notes 19 and 27)	**555,446**	526,792	**0**	0
應收賬款及票據	Trade and bills receivable	**90,044**	115,932	**0**	0
其他應收賬款、訂金及預付款項（附註二十七）	Other receivables, deposits and prepayments (Note 27)	**249,737**	214,807	**1,785**	190
現金及銀行結餘	Cash and bank balances	**188,582**	205,592	**48,002**	41,836
		1,083,809	1,063,123	**49,787**	42,026

十八、流動負債 18. CURRENT LIABILITIES

	集團 Group		公司 Company	
	1996	1995	**1996**	1995
	千港元	千港元	**千港元**	千港元
	HK$'000	HK$'000	**HK$'000**	HK$'000
應付賬款及票據 Trade and bills payable	**184,900**	215,161	**0**	0
其他應付賬款及應計費用 Other payables and accruals	**104,685**	255,143	**2,853**	107,301
融資租賃債務(附註二十四) Obligations under finance leases (Note 24)	**4,397**	4,313	**0**	0
短期銀行貸款 — 無抵押(附註二十七) Short term bank loans — unsecured (Note 27)	**10,429**	2,008	**0**	0
稅項(附註七(乙)) Taxation (Note 7(b))	**27,509**	19,612	**17**	0
擬派發股息(附註九) Proposed dividends (Note 9)	**81,543**	63,713	**81,543**	63,713
銀行透支 Bank overdrafts	**72**	7,176	**0**	0
	413,535	567,126	**84,413**	171,014

十九、存貨 19. INVENTORIES

	集團 Group	
	1996	1995
	千港元	千港元
	HK$'000	HK$'000
原料 Raw materials	**108,343**	82,607
在製貨品 Work in progress	**129,270**	134,083
製成品 Finished goods	**317,833**	310,102
	555,446	526,792

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二十、股本 20. SHARE CAPITAL

	1996 千港元 HK$'000	1995 千港元 HK$'000
法定股本： Authorised:		
1,000,000,000股普通股，每股面值0.10港元 1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
已發行及全數繳足股本： Issued and fully paid:		
710,568,000股普通股，每股面值0.10港元（1995：707,923,000股普通股，每股面值0.10港元） 710,568,000 ordinary shares of HK$0.10 each (1995: 707,923,000 ordinary shares of HK$0.10 each)	**71,057**	70,792

於本年度內，根據購股權計劃所授出購股權之變動情況如下：

Details of the movements in the share options granted under the option scheme during the year are set out as follows:

	已授出購股權股份數目 Number of shares over which options were granted 1996	1995
於一月一日 At 1st January	**45,087,000**	24,357,000
授出數量 Amount granted	**11,780,000**	27,956,000
行使數量 Amount exercised	**(2,645,000)**	(4,385,000)
註銷數量 Amount cancelled	**(6,795,000)**	(2,841,000)
於十二月三十一日 At 31st December	**47,427,000**	45,087,000

二十、股本(續) 20. SHARE CAPITAL (cont'd)

(i) 於本年度內，本公司授出下列購股權予集團某些董事及僱員：

(i) Options to subscribe for shares in the Company were granted during the year to certain directors and employees of the Group as follows:

授出日期 Date of grant	已授出購股權股份數目 Number of shares over which options were granted	每股行使價 Exercise price per share 港元 HK$	行使期限 Exercise period
一九九六年三月四日 4th March, 1996	2,780,000	6.38	由一九九六年九月四日至二零零五年五月二十八日 From 4th September, 1996 to 28th May, 2005
一九九六年五月七日 7th May, 1996	9,000,000	5.66	由一九九九年五月七日至二零零五年五月二十八日 From 7th May, 1999 to 28th May, 2005
	11,780,000		

(ii) 根據購股權計劃於年前授出之購股權為數共2,645,000股每股面值0.10港元之股本在本年度內已行使。為此，本公司分別以現金溢價每股4.34港元及5.10港元發行及配發1,145,000股及1,500,000股每股面值0.10港元股份予集團董事及僱員。

(ii) Options to subscribe for 2,645,000 shares of HK$0.10 each of the Company granted under the option scheme in previous years were exercised during the year. In this connection, the Company issued and allotted 1,145,000 shares and 1,500,000 shares at a premium of HK$4.34 and HK$5.10 per share respectively for cash to certain directors and employees of the Group.

(iii) 在本年度內根據購股權計劃授予之6,795,000股購股權，因本集團僱員的辭任而被取消。

(iii) During the year, options to subscribe for a total of 6,795,000 shares in the Company granted under the option scheme were cancelled due to resignation of employees of the Group.

二十一、儲備金 21. RESERVES

	繳入盈餘 Contributed surplus 千港元 HK$'000	股份溢價 Share premium 千港元 HK$'000	匯兌儲備金 Exchange reserve 千港元 HK$'000	其他儲備 Other reserves 千港元 HK$'000	滾存溢利 Retained profits 千港元 HK$'000	總數 Total 千港元 HK$'000
(甲) 集團 (a) Group						
於一九九六年一月一日 At 1st January, 1996	312,049	437,087	(13,963)	11,887	93,887	840,947
本年度溢利處理於： Profit for the year dealt with by:						
公司及附屬公司 Company and subsidiary companies	0	0	0	0	245,277	245,277
聯營公司 Associated companies	0	0	0	0	15,956	15,956
轉撥其他儲備 Transfer to other reserves	0	0	0	915	(915)	0
發行新股溢價 Premium on issue of shares	0	12,619	0	0	0	12,619
綜合商譽 Goodwill arising on consolidation	0	0	0	0	(813)	(813)
撥回商譽 Write back of goodwill on consolidation	70,700	0	0	0	0	70,700
股息支付／擬派 Dividends paid/proposed	0	0	0	0	(113,492)	(113,492)
海外附屬公司及分公司賬目換算差額 Exchange differences arising from translation of the accounts of overseas subsidiaries and branch	0	0	(3,984)	0	0	(3,984)
於一九九六年十二月三十一日 At 31st December, 1996	**382,749**	**449,706**	**(17,947)**	**12,802**	**239,900**	**1,067,210**
處理於： Dealt with by:						
公司及附屬公司 Company and subsidiary companies	382,749	449,706	(17,947)	12,802	221,985	1,049,295
聯營公司 Associated companies	0	0	0	0	17,915	17,915
	382,749	449,706	(17,947)	12,802	239,900	1,067,210

二十一、儲備金(續)

21. RESERVES (cont'd)

(i) 其他儲備乃根據中國有關法律及財務規定，從集團於中國之附屬公司按税後溢利提取之法定公積金。根據中國之有關規定，公積金可用於彌補以前年度虧損及增加該等附屬公司之資本額。

(i) Other reserves represent the transfer of profit to the statutory reserve funds of the subsidiaries in the PRC in accordance with the relevant PRC laws and financial regulations. According to the relevant PRC regulations, the reserve funds may be used to make up prior years' losses, if any, and to increase the capital of the subsidiaries.

(ii) 撥回因綜合賬目而產生之商譽乃由於去年收購虎威企業有限公司49%權益所付出總代價的最後調整。

(ii) The write back of goodwill on consolidation represents the final adjustment of the total purchase consideration in respect of the acquisition of the 49% interest in Tiger Enterprises Limited in the previous year.

(乙) 公司 (b) Company

	繳入盈餘 Contributed surplus 千港元 HK$'000	股份溢價 Share premium 千港元 HK$'000	滾存溢利 Retained profits 千港元 HK$'000	總數 Total 千港元 HK$'000
於一九九六年一月一日 At 1st January, 1996	540,065	437,087	17,684	994,836
發行新股溢價 Premium on issue of shares	0	12,619	0	12,619
本年度溢利 Profit for the year	0	0	147,740	147,740
股息 Dividends	0	0	(113,492)	(113,492)
於一九九六年十二月三十一日 At 31st December, 1996	**540,065**	**449,706**	**51,932**	**1,041,703**

根據百慕達法例，繳入盈餘可供派發。於一九九六年十二月三十一日，本公司可供分配派發股息予股東之儲備金為591,997,000港元(一九九五年： 557,749,000港元)。

Under the laws of Bermuda the contributed surplus is distributable. At 31st December, 1996, the distributable reserves of the Company available for distribution as dividends to shareholders amounted to HK$591,997,000 (1995: HK$557,749,000).

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二十二、 非流動負債 22. NON-CURRENT LIABILITIES

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
遞延税項(附註二十三)	Deferred taxation (Note 23)	(3,334)	1,900
融資租賃債務(附註十二(丙)、(丁)及二十四)	Obligations under finance leases (Notes 12 (c), (d) and 24)	30,686	34,819
		27,352	36,719

二十三、 遞延税項 23. DEFERRED TAXATION

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
一月一日之結餘	Balance at 1st January	1,900	3,297
上年度滾存之換算差額	Translation difference on opening balance	40	137
由損益賬轉撥(附註七(甲))	Transfer to profit and loss account (Note 7(a))	(5,274)	(1,534)
十二月三十一日之結餘	Balance at 31st December	(3,334)	1,900

於一九九六年十二月三十一日因作税項安排而扣除價值380,000,000港元「GIORDANO」商標所產生之税項虧損，而未有在綜合賬目中作出處理的遞延税項資產為26,352,000港元(一九九五年：34,279,000港元)。

The deferred tax asset in respect of tax losses not taken up in the consolidated accounts as at 31st December, 1996 arising from the deduction of the GIORDANO trademark valued at HK$380,000,000 for tax purpose, was HK$26,352,000 (1995: HK$34,279,000).

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二十四、 融資租賃債務 24. OBLIGATIONS UNDER FINANCE LEASES

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
融資租賃債務之償還期：	Obligations under finance leases are repayable:		
一年內	Within one year	4,397	4,313
第二至第五年內	In the second to fifth years inclusive	17,203	17,079
五年以上	Over five years	13,483	17,740
		35,083	39,132

二十五、 少數股東權益及貸款 25. INTERESTS OF AND LOAN FROM MINORITY SHAREHOLDERS

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
少數股東所佔權益:	Interests of minority shareholders in:		
投資股本	Share capital invested	1,555	2,590
截至收購日之累積虧損	Accumulated losses up to the date of acquisition	0	(84)
收購後之營業成果	Operating results subsequent to the acquisition	480	(570)
		2,035	1,936
少數股東之貸款	Loan from minority shareholders	6,222	6,344
		8,257	8,280

少數股東之貸款為無抵押及並無利息支付。

The loan from the minority shareholders is unsecured and interest free.

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二十六、承擔 26. COMMITMENTS

(甲) 營業租約之承擔 (a) Commitments under operating leases

於一九九六年十二月三十一日，本集團於下年度就零售店舖、辦公室、工廠及貨倉所需支付之來年最低租賃承擔如下：

At 31st December, 1996, the Group had minimum commitments under operating leases in respect of retail shops, office premises, factories and warehouses to make payments in the next year as set out below:

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
於下列期間屆滿之營業租約：	Operating leases which expire:		
一年內	Within one year	76,439	60,293
第二至第五年內	In the second to fifth years inclusive	238,199	259,712
五年以上	Over five years	17,625	17,336
		332,263	337,341

(乙) 資本承擔 (b) Capital commitments

於一九九六年十二月三十一日本集團有以下之資本承擔：

At 31st December, 1996, the Group had the following capital commitments:

		集團 Group	
		1996 千港元 HK$'000	1995 千港元 HK$'000
已簽約但尚未撥出準備	Contracted but not provided for	13,182	38,437
董事已授權但未簽約	Authorised by the directors but not contracted for	19,353	40,565
		32,535	79,002

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二十七、 或然負債

27. CONTINGENT LIABILITIES

於一九九六年十二月三十一日，本集團及本公司有如下之或然負債：

At 31st December, 1996, the Group and the Company had contingent liabilities not included in the accounts in respect of the following:

		集團 Group		公司 Company	
		1996	1995	1996	1995
		千港元 HK$'000	千港元 HK$'000	千港元 HK$'000	千港元 HK$'000
銀行週轉信貸擔保	Guarantees in respect of bank credit facilities	0	0	10,429	2,008
有追索權之貼現出口票據	Export bills discounted with recourse	5,409	8,987	0	0
已開立但未議付之信用狀	Letters of credit issued but not yet utilised	16,284	35,322	0	0
有關水電按金之銀行擔保	Bank guarantees in lieu of utility deposits	9,487	8,770	0	0
予賣主之保證票據	Guarantee notes issued	96,344	58,882	0	0
		127,524	111,961	10,429	2,008

在本年度內若干於中國之製衣業務附屬公司接獲中國海關發出之罰款通知書，指其涉嫌不適當地將免稅進口設備轉移到集團其他公司使用及進口原料用量有差異。有關罰款合共約85,000,000港元，涉及有關由一九九二年至一九九六年五年間所發生之事件。在等待有關該等罰款上訴之結果，資產負債表所列之貿易資產中，若干為數約13,000,000港元之貿易資產被扣存，及約5,000,000港元之保證金已存管於有關當局。此外，一間於中國之附屬公司其展銷部接獲一份有關涉嫌違反營業執照之罰款通知書，罰款數額約8,000,000港元。

During the year certain manufacturing subsidiaries in the PRC received penalty notices from the PRC customs authorities, alleging the improper transfer of duty free equipment to other group companies and irregularities in the usage of raw material imports. The penalties claimed by the authorities relate specifically to events that occurred over the five-year period from 1992 to 1996 and total approximately HK$85 million. Pending the outcome of the appeals lodged in connection with these penalties, certain trading assets, included in the balance sheet at approximately HK$13 million, have been bonded and a security deposit of approximately HK$5 million has been made with the relevant authorities. In addition, the sales office of a subsidiary in the PRC received a penalty notice in the amount of approximately HK$8 million for alleged breaches of a business licence.

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二十七、 或然負債(續)

在獲得有關法律意見後，由於該等罰款通知仍在上訴中，要評估本集團需付出之最終費用並不可行，所以董事會已決定在現階段不會在賬目內作出準備。惟董事會有信心任何可能導致之損失，包括任何罰款、補税及有關法律訴訟費用將不會對本集團之整體穩定狀況產生不利影響。

27. CONTINGENT LIABILITIES (cont'd)

Having taken relevant legal advice, the directors have decided not to make any provision in the accounts at this stage as the penalty notices are under appeal and it is not practicable to estimate the ultimate cost to the Group. The directors are confident that any loss that might arise, including any penalties, additional duties and related legal costs, would not adversely affect the stability of the Group as a whole.

二十八、 有關連人士之交易

在正常業務交易下，本集團在本年度內未曾與公明織造廠有限公司進行任何交易，該公司乃由本公司之前主要股東黎智英先生(「黎先生」)擁有實益權益，黎先生已把彼所持有之本公司股份於一九九六年二月二十七日悉數出售。虎威企業有限公司於一九九五年八月成為本集團之全資附屬公司。本集團於去年度內曾與某些有關連人士及附屬公司進行下列交易：

28. RELATED PARTY TRANSACTIONS

During the year, the Group, in the normal course of business, has not entered into any transactions with Comitex Knitters Limited (a company in which Mr. Lai Chee Ying, Jimmy ("Mr Lai"), the former substantial shareholder of the Company, has beneficial interest). Mr. Lai disposed of all his shares in the Company on 27th February, 1996. Tiger Enterprises Limited became a wholly owned subsidiary of the Group since August 1995. In the previous year, the Group entered into the following transactions with certain related and subsidiary companies:

		1995 千港元 HK$'000
向公明織造廠有限公司購貨	Purchase from Comitex Knitters Limited	10,531
為虎威企業有限公司及其附屬公司採購原料，成衣加工及特許權費用之收入	Income arising from sourcing of raw materials and garment processing and royalties income from Tiger Enterprises Limited and its subsidiaries	89,847
向公明織造廠有限公司購買固定資產	Purchase of fixed assets from Comitex Knitters Limited	11,500
購買虎威企業有限公司餘下權益	Purchases of remaining interest in Tiger Enterprises Limited	212,784

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二十九、除稅前溢利及經營業務所得現金流入淨額之調節

29. RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		1996 千港元 HK$'000	1995 千港元 HK$'000
除稅前溢利	**Profit before taxation**	**315,402**	294,248
支付利息	Net interest paid	**322**	11,379
固定資產折舊	Depreciation of fixed assets	**112,695**	99,783
無形資產及其他投資攤銷	Amortisation of intangible assets and other investments	**3,037**	3,247
所佔聯營公司盈利	Share of profit of associated companies	**(21,871)**	(4,765)
出售固定資產之(盈利)/虧損	(Profit)/loss on disposal of fixed assets	**(743)**	4,213
出售其他投資項目之盈利	Profit on disposal of other investment	**(210)**	0
無形資產之撇賬	Intangible assets written off	**0**	1,848
存貨之增加	Increase in inventories	**(28,654)**	(113,038)
應收賬款及票據、其他應收款、按金及預付款項之增加	Increase in trade and bills receivable, other receivables, deposits and prepayments	**(11,457)**	(57,516)
應付賬款及票據、其他應付款及應計費用之(減少)/增加	(Decrease)/increase in trade and bills payable, other payables and accruals	**(78,913)**	82,211
經營業務所得現金流入淨額	**Net cash inflow from operating activities**	**289,608**	321,610

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三十、本年度集資變動分析 30. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

		股本 Share capital 千港元 HK$'000	股本溢價 Share premium 千港元 HK$'000	融資租賃債務 Obligations under finance leases 千港元 HK$'000
一九九六年一月一日之結餘	Balance at 1st January, 1996	70,792	437,087	39,132
集資所得現金流入/(流出)額	Cash inflow/(outflow) from financing	265	12,619	(4,396)
新增之融資租賃債務	Inception of finance leases	0	0	347
一九九六年十二月三十一日之結餘	**Balance at 31st December, 1996**	**71,057**	**449,706**	**35,083**

三十一、現金及現金等額結存分析 31. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

		1996 千港元 HK$'000	1995 千港元 HK$'000
現金及銀行結餘	Cash and bank balances	**188,582**	205,592
銀行貸款及透支 — 無抵押	Bank loans and overdrafts — unsecured	**(10,501)**	(9,184)
		178,081	196,408

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三十二、 附屬公司

32. SUBSIDIARIES

根據董事之意見，下列附屬公司乃主要影響本公司本年度業績或構成本集團主要資產淨值之主要公司：

The following includes the principal subsidiaries of the Company which, in the opinion of the directors, were significant to the results of the year or formed a substantial portion of the net assets of the Group:

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1996	1995	已發行及全數繳足股份或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
佐丹奴企業有限公司 Giordano Holdings Limited	香港 Hong Kong	100	100	普通股 100,000港元 Ordinary HK$100,000	投資控股 Investment holding
佐丹奴有限公司* Giordano Limited*	香港 Hong Kong	100	100	普通股 5,000,000港元 Ordinary HK$5,000,000	在香港經營零售服裝及配襯用品 Retailing of apparel and accessories in Hong Kong
Giordano Originals (Singapore) Private Limited	新加坡共和國 Republic of Singapore	100	100	普通股 1,900,002新加坡元 Ordinary S$1,900,002	在新加坡經營零售服裝及配襯用品 Retailing of apparel and accessories in Singapore
East Jean Limited*	香港 Hong Kong	100	100	普通股 1,000,000港元 Ordinary HK$1,000,000	在台灣經營零售服裝及配襯用品 Retailing of apparel and accessories in Taiwan

三十二、 附屬公司(續) 32. SUBSIDIARIES (cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1996	 1995	已發行及全數繳足股份或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
Giordano (M) Sdn. Bhd.	馬來西亞 Malaysia	100	100	普通股 100,000 馬來西亞幣 Ordinary RM100,000	在馬來西亞經營零售服裝及配襯用品 Retailing of apparel and accessories in Malaysia
Giordano (Macau) Limited*	澳門 Macau	100	100	股本 50,000澳門元 Quotas MOP50,000	在澳門經營零售服裝及配襯用品 Retailing of apparel and accessories in Macau
Giordano Fashions Limited*	紐西蘭 New Zealand	100	80	普通股 1,000,000 紐西蘭元 Ordinary NZ$1,000,000	在紐西蘭經營零售服裝及配襯用品 Retailing of apparel and accessories in New Zealand
Giordano (Thai) Company Limited*	泰國 Thailand	49	49	普通股 10,000,000泰銖 Ordinary THB10,000,000	在泰國經營零售服裝及配襯用品 Retailing of apparel and accessories in Thailand

三十二、 附屬公司(續) 32. SUBSIDIARIES (cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1996	 1995	已發行及全數繳足股份或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
公興針織製衣廠有限公司* Cohin Knitting & Garment Manufacturers Limited*	香港 Hong Kong	**100**	100	普通股 2,000港元 無投票權遞延股 3,261,000港元 Ordinary HK$2,000 Non-voting deferred HK$3,261,000	在中國製造精細針織服裝 Manufacturing of fine knitwear in the PRC
亮志製衣有限公司* Gloss Mind Garment Manufacturing Company Limited*	香港 Hong Kong	**100**	100	普通股 1,000,000港元 Ordinary HK$1,000,000	在中國製造梭織品 Manufacturing of woven products in the PRC
深圳志興製衣有限公司* Shenzhen Zhixing Garment Manufacturers Company Limited*	中國 PRC	**100**	100	10,152,152人民幣 RMB10,152,152	在中國製造精細針織服裝 Manufacturing of fine knitwear in the PRC
深圳亮海製衣有限公司* Shenzhen Lianghai Garments Company Limited*	中國 PRC	**100**	100	9,800,000港元 HK$9,800,000	在中國製造梭織品 Manufacturing of woven products in the PRC

三十二、 附屬公司(續) 32. SUBSIDIARIES (cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1996	1995	已發行及全數繳足股份或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
Cohin Philippines, Inc.*	菲律賓 Philippines	100	100	普通股 5,000,000披索 Ordinary PHP5,000,000	在菲律賓製造精細針織服裝 Manufacturing of fine knitwear in the Philippines
東莞智興製衣有限公司* Dongguan Chihing Garments Limited*	中國 PRC	100	100	42,558,499港元 HK$42,558,499	位於中國建設中的工廠 Factory under construction in the PRC
東莞會興製衣有限公司* Dongguan Rayhill Garment Manufacturers Co., Ltd.*	中國 PRC	100	100	11,500,000港元 HK$11,500,000	在中國製造精細針織服裝 Manufacturing of fine knitwear in the PRC
虎威企業有限公司 Tiger Enterprises Limited	香港 Hong Kong	100	100	普通股 1,000港元 無投票權遞延股 60,000,000港元 Ordinary HK$1,000 Non-voting deferred HK$60,000,000	在中國投資控股 Investment holding in the PRC

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三十二、 附屬公司(續) 32. SUBSIDIARIES (cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1996	1995	已發行及全數繳足股份或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
深圳虎威製衣有限公司* Shenzhen Tiger Garment Limited*	中國 PRC	**100**	100	15,100,000人民幣 RMB15,100,000	在中國深圳投資控股，製造及銷售服裝及配襯用品 Investment holding, manufacturing and retailing of apparel and accessories in Shenzhen, the PRC
Walton International Limited*	開曼群島 Cayman Islands	**100**	100	普通股 102美元 Ordinary US$102	在香港及中國批授商標專利權 Licensing of trademarks in Hong Kong and the PRC

		1996 千港元 HK$'000	1995 千港元 HK$'000	1994 千港元 HK$'000	1993 千港元 HK$'000	1992 千港元 HK$'000
		綜合基準 Consolidated				
業績	**Results**					
營業額	Turnover	**3,522,047**	3,481,967	2,863,726	2,334,135	1,661,364
除稅前溢利	Profit before taxation	**315,402**	294,248	234,236	166,666	145,569
稅項	Taxation	**(54,170)**	(31,653)	(28,625)	(29,034)	(30,478)
除稅後溢利	Profit after taxation	**261,232**	262,595	205,611	137,632	115,091
少數股東權益	Minority interests	**1**	(12,367)	(10,264)	0	0
本年度溢利	Profit for the year	**261,233**	250,228	195,347	137,632	115,091
每股盈利	Earnings per share	**36.9 ¢**	38.8 ¢	30.9 ¢	22.0 ¢	19.0 ¢
資產	**Assets**					
無形資產	Intangible assets	**4,974**	5,950	9,468	602	3,707
固定資產	Fixed assets	**354,576**	375,413	206,380	154,657	100,353
發展中物業	Property under development	**99,454**	48,705	16,468	0	0
所佔聯營公司之權益	Interest in associated companies	**43,763**	28,562	13,767	4,918	20,200
其他投資	Other investments	**835**	2,111	2,467	1,325	1,956
流動資產	Current assets	**1,083,809**	1,063,123	792,393	662,443	620,208
總資產	Total assets	**1,587,411**	1,523,864	1,040,943	823,945	746,424
負債	**Liabilities**					
流動負債	Current liabilities	**413,535**	567,126	430,441	365,064	381,303
非流動負債	Non-current liabilities	**27,352**	36,719	12,513	4,184	3,444
少數股東權益及貸款	Interests of and loans from minority shareholders	**8,257**	8,280	53,468	0	0
		449,144	612,125	496,422	369,248	384,747
資產淨值	**Net assets**	**1,138,267**	911,739	544,521	454,697	361,677

茲通告Giordano International Limited (「本公司」)謹訂於一九九七年六月二十七日星期五上午十時正假座香港金鐘道88號太古廣場萬豪酒店3樓宴會廳舉行一九九七年股東週年大會，處理下列事項：

1. 省覽截至一九九六年十二月三十一日止年度之經審核賬目、董事會及核數師報告書。

2. 宣佈派發末期股息。

3. 重選退任董事及確定董事之最高名額並授權董事會在該限額內委聘新董事。

4. 續聘核數師及授權董事會釐定其酬金。

5. 考慮並酌情通過或經修訂後通過下列普通決議案及特別決議案：

普通決議案

(1) 「動議：

(A) 無條件授予本公司董事會一項一般性授權，可於有關期間內發行、配發或處理本公司股本中之額外股份，並作出或授予可能須行使該等權力之建議、協議及購股權，惟須符合下列條件：

(a) 該項授權之有效期不可超越有關期間，但本公司董事會可在有關期間內作出或授予可能於有關期間內或屆滿後行使該等權力之建議、協議及購股權；及

NOTICE IS HEREBY GIVEN that the 1997 Annual General Meeting of Giordano International Limited (the "Company") will be held at Salon 6, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 27th June, 1997 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31st December, 1996.

2. To declare a final dividend.

3. To re-elect retiring directors and to determine a maximum number of directors and to authorise the directors to appoint additional directors up to such maximum number.

4. To re-appoint the Auditors and to authorise the directors to fix their remuneration.

5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions and Special Resolution:

ORDINARY RESOLUTIONS

(1) "THAT:

(A) a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to the following conditions:

(a) such mandate shall not extend beyond the Relevant Period save that the directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the end of the Relevant Period; and

(b) 本公司董事會依據上述授權而配發、發行或處理本公司股本中之股份(除因:(aa)供股;(bb)依據本公司所發行賦有權力認購或購買本公司股份之認股權證或其他證券之條款而行使認購權或兌換股權;或(cc)行使本公司股東已採納可向本公司及/或其任何附屬公司僱員授出購股權認購本公司股份之僱員購股權計劃所授出之購股權;或(dd)根據本公司細則訂立之以股代息或其他類似計劃而發行之股份除外)面值總額不得超過本公司於本決議案日期已發行股本面值總額之20%;及

(B) 就本決議案而言:

(a) 「有關期間」乃指本決議案獲通過之日起至下列最早日期止之期間:

(i) 本公司下屆股東週年大會結束;

(ii) 依照本公司細則或百慕達適用之法例規定本公司須召開下屆股東週年大會之期限屆滿之日;及

(iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所給予之授權;及

(b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the directors of the Company pursuant to such mandate, otherwise than pursuant to (aa) a Rights Issue; or (bb) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (cc) the exercise of any option under any share option scheme of the Company adopted by its shareholders for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (dd) any scrip dividend or other similar scheme implemented in accordance with the Bye-Laws of the Company, shall not exceed 20% of the total aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution; and

(B) for the purpose of this Resolution:

(a) "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(b) 「供股」乃指本公司董事會於所定期間內根據某一指定記錄日期名列股東名冊之股東於該日之持股比例向彼等提出之股份發售建議(惟本公司董事會有權就零碎配額，或就考慮任何香港以外地區但適用於本公司之法律及法規下之限制或責任或任何認可管制機構或任何證券交易所之規定後，作出其認為必須或權宜取消若干股東在此方面之權利或作出其他安排)。」

(b) "Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on its register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognised regulatory body or stock exchange in any territory outside Hong Kong)."

(2) 「動議：

(A) 無條件授予本公司董事會一項一般性授權，可於有關期間內行使本公司一切權力購回本公司股本中之股份，惟須符合下列條件：

(a) 根據該項授權行使一切權力，惟須遵守所有適用法例及香港聯合交易所有限公司證券上市規則或任何其他適用之證券交易所規定；及

(b) 本公司依據上述授權而購回之本公司股本中之股份面值總額，不得超過本公司於本決議案日期之已發行股本面值總額之10%；及

(2) "THAT:

(A) a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to exercise all powers of the Company to purchase shares in the capital of the Company subject to the following conditions:

(a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other applicable stock exchange; and

(b) the aggregate nominal amount of shares in the share capital of the Company to be purchased pursuant to such mandate shall not exceed 10% of the aggregate nominal amount of share capital of the Company in issue at the date of this Resolution; and

(B) 就本決議案而言，「有關期間」乃指本決議案獲通過之日起至下列最早日期止之期間：

(a) 本公司下屆股東週年大會結束；

(b) 依照本公司細則或百慕達適用之法例規定本公司須召開下屆股東週年大會之期限屆滿之日；及

(c) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所給予之授權。」

(3) 「動議批准將本公司董事會根據上文第(1)項決議案所獲可在有關期間(按該決議案之定義)發行、配發或處理本公司之額外股份之一般授權擴大，使根據該項一般授權可發行、配發或處理之本公司股份面值總額增加，而加幅等於本公司董事會行使本公司權力所購回之股份面值總額，惟該增幅不可超逾本決議案通過之日本公司已發行股本面值總額之10%。」

(B) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and

(c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

(3) "THAT the extension of the general mandate to be granted to the directors of the Company pursuant to the authority given in the resolution set out as Resolution (1) to issue, allot or otherwise deal with additional shares of the Company during the Relevant Period (as defined in that Resolution) by the addition to the aggregate nominal amount of shares in the capital of the Company which may be issued, allotted or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company purchased by the directors of the Company pursuant to their exercise of the powers of the Company to purchase such shares be and is hereby approved, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution."

特別決議案

(4) 「動議修訂本公司之公司細則如下：

(A) 公司細則第1(A)條之「結算所」定義由以下取代：

「結算所」指證券及期貨(結算所)條例(香港法例第420章)第2節之釋義範圍內所指之認可結算所或本公司股份在證券交易所上市或掛牌之該等司法管轄區之法例所認可之結算所或認可之股份存管處；

(B) 在緊隨公司細則第1(A)條之「本公司」之定義後加上以下定義：

「公司代表」指根據公司細則第87(A)及87(B)條獲委派擔任該項職務之任何人士。

(C) 刪除在公司細則第1(C)條第五至七行「如股東為公司，則分別由其獲授權之代表」等字，並以「由獲授權之公司代表」等字取代。

(D) 刪除在公司細則第1(D)條第四至六行「如股東為公司，則由其獲授權之代表」等字，並以「由獲授權之公司代表」等字取代。

(E) 在公司細則第5(A)條，

(a) 刪除第二十二行之「獲授權」等字，並以「由獲授權之公司」等字取代；及

SPECIAL RESOLUTION

(4) "That the Bye-Laws of the Company be amended as follows:

(A) the definition of "Clearing House" in Bye-Law 1(A) be replaced by the following:

"Clearing House" shall mean a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;

(B) By adding the following definition immediately after the definition of "the Company" in Bye-Law 1 (A):

"corporate representative" shall mean any person appointed to act in that capacity pursuant to Bye-Laws 87 (A) and 87 (B).

(C) By deleting the words "in the case of shareholders which are corporations, by their respective duly authorised representatives" appearing in the fifth to seventh lines of Bye-Law 1 (C) and substituting therefor the words "by a duly authorised corporate representative".

(D) By deleting the words "in the case of any shareholder being a corporation, by its duly authorised representative" appearing in the fourth to sixth lines of Bye-Law 1 (D) and substituting therefor the words "by a duly authorised corporate representative".

(E) In Bye-Law 5 (A),

(a) by deleting the word "authorised" and substituting therefor the words "by a duly authorised corporate" in the twenty-second line; and

(b) 在第二十四行緊隨「委任代表」等字後加上「或獲授權之公司代表」等字。

(F) 刪除在公司細則第15條「毋須付款」及「第一張股票後每張股票」等字。

(G) 刪除在公司細則第32條第五行之「獲授權」等字，並以「獲授權之公司」等字取代。

(H) 在公司細則第36條第四行「批准」等字後加上「可親手或機印方式簽署或董事會不時批准之其他方式」等字。

(I) 刪除在公司細則第43條出現之任何「不收費用」等字。

(J) 刪除在公司細則第66、70(ii)、(iii)及(iv)和76條所出現之任何「(或，如股東為公司，則由其獲授權之代表)」等字，並於每處以「或由獲授權之公司代表」等字取代。

(K) 在公司細則第67條第十一行之「親身出席」及第十七行之「親身」等字後加上「或由獲授權之公司代表」等字。

(L) 刪除在公司細則第78條第三及第六行之「親身」等字，並以「親身或由獲授權之公司代表」等字取代。

(M) 刪除在公司細則第80(A)條第八行之「親身」等字，並以「親身或由獲授權之公司代表」等字取代。

(b) by adding the words "or by a duly authorised corporate representative" immediately after the words "by proxy" appearing in the twenty-fourth line.

(F) By deleting the words "without payment" and the words "for every certificate after the first" where they appear in Bye-Law 15.

(G) By deleting the word "authorised" and substituting therefor the words "by a duly authorised corporate" in the fifth line of Bye-Law 32.

(H) By adding the words "and may be under hand or by means of mechanically imprinted signatures or such other manner as the Board may from time to time approve" after the word "approve" in the fourth line of Bye-Law 36.

(I) By deleting the words "without charge" whenever they appear in Bye-Law 43.

(J) By deleting the words "(or, in the case of a shareholder being a corporation, by its duly authorised representative)" whenever they appear in Bye-Laws 66, 70 (ii), (iii) and (iv) and 76 and substituting therefor each of them with the words "or by a duly authorised corporate representative".

(K) By adding the words "or by a duly authorised corporate representative" immediately after the words "present in person" in the eleventh line and immediately after the word "person" in the seventeenth line of Bye-Law 67.

(L) By deleting the word "personally" and substituting therefor the words "in person or by a duly authorised corporate representative" in the third and sixth lines of Bye-Law 78.

(M) By deleting the word "personally" and substituting therefor the words "in person or by a duly authorised corporate representative" in the eighth line of Bye-Law 80 (A).

(N) 刪除現有之公司細則第81條，並由以下細則取代：

81. 有權出席本公司任何會議或任何類別股份之股東大會及於會上投票之任何本公司股東均有權委派另一名人士作為其委任代表出席及投票。在舉手表決時，只有親身或由獲授權之公司代表出席之股東方可投票。在投票表決時，可親身或由獲授權之公司代表或委任代表投票。持有兩股或以上股份之股東可委派超過一名委任代表出席相同之會議。委任代表毋須為股東，此外，委任代表(一名或以上)不論代表個人股東或公司股東，均有權行使其代表之股東有權行使之相同權力，惟委任代表將無權在舉手表決時個別地投票。

(O) 在公司細則第86條第二行之「獲授權之」等字後加上「公司」等字。

(P) 在公司細則第87(A)條，

(a) 分別在第五行之「作為其」及第十六行之「獲授權之」等字後加上「公司」等字；

(b) 在第十七行「代表」等字之後加上「或由一名或以上之委任代表。本條公司細則所載條文並無禁止身為股東之公司根據公司細則第81條委派一名或以上之委任代表。」

(N) By deleting the existing Bye-Law 81 and substituting therefor the following Bye-Law:

81. Any shareholder of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a vote on a show of hands, only a shareholder present in person or by a duly authorised corporate representative may vote. On a poll votes may be given either personally or by a duly authorised corporate representative or by proxy. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder. In addition, a proxy or proxies representing either an individual shareholder or a shareholder which is a corporation, shall be entitled to exercise the same powers on behalf of the shareholder which he or they represent as such shareholder could exercise but, notwithstanding the generality of the foregoing shall not have the right to vote individually on a show of hands.

(O) By adding the word "corporate" after the words "duly authorised" in the second line of Bye-Law 86.

(P) In Bye-Law 87 (A),

(a) by adding the word "corporate" after the words "as its" in the fifth line and after the words "duly authorised" in the sixteenth line respectively;

(b) by adding the words "or by one or more proxies. Nothing contained in this Bye-Law shall prevent a corporation which is a shareholder of the Company from appointing one or more proxies to represent it pursuant to Bye-Law 81" after the word "representative" in the seventeenth line.

(Q) 刪除現有之公司細則第87(B)條，由以下細則取代：

87(B) 倘結算所（或其代理人）為本公司之股東，可委派其認為合適之一名或以上人士作為其委任代表或其公司代表，按公司法准許之範圍內，出席本公司任何會議或本公司任何類別股份之任何股東大會，惟倘委派超過一名委任代表，須註明每名該等委任代表或公司代表所代表之股份類別及數目。按本條公司細則之條文所委派之人士，將有權行使其代表之結算所（或其代理人）之相同權力，如該結算所（或其代理人）為本公司個人股東而親身出席本公司任何會議或任何類別之股東大會，包括但不限於上述，有權按公司細則第76及81條在舉手表決時投票。」

(Q) By deleting the existing Bye-Law 87 (B) and substituting therefor the following Bye-Law:

87 (B) If a Clearing House (or its nominee) is a shareholder of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives, to the extent permitted by the Companies Act, at any meeting of the Company or at any meeting of any class of shareholders of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-Law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it was an individual shareholder of the Company attending any meeting of the Company or at any meeting of any class of shareholders of the Company in person including, without limitation to the generality of the foregoing, the right to vote individually on a show of hands notwithstanding the provisions of Bye-Laws 76 and 81."

承董事會命
聶羨萍
公司秘書

香港，一九九七年五月二十六日

附註：

(1) 凡有權出席上文通告所召開之大會及投票之股東，均有權委派代表出席大會，並代其投票。受委代表毋須為本公司股東。

By Order of the Board
LIP SIN PING, ALICE
Company Secretary

Hong Kong, 26th May, 1997

Notes:

(1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) 代表委任表格連同簽署人之授權書或其他授權文件（如有）或經由公證人簽署證明之授權書或授權文件副本，須於大會或其任何續會指定舉行時間最少四十八小時前送達本公司之股份過戶登記分處雅柏勤證券登記有限公司，地址為香港銅鑼灣恩平道二十八號嘉蘭中心10樓，方為有效。

(3) 本公司將由一九九七年六月二十四日至一九九七年六月二十七日（首尾兩日包括在內）暫停辦理股份過戶登記手續。為確保獲得將在股東週年大會上批准派發之末期股息（將於一九九七年七月十日或該日左右派發），務請將過戶文件連同有關股票於一九九七年六月二十三日下午五時前送達本公司之股份過戶登記分處雅柏勤證券登記有限公司，地址為香港銅鑼灣恩平道二十八號嘉蘭中心10樓，辦理過戶登記手續。

(4) 建議股東參閱年報中的附錄 — 說明文件所載之以上通告所列之普通決議案及特別決議案第5(2)及5(4)項之重要資料。

(5) 關於以上通告中普通決議案第5(1)及5(3)項授予本公司董事會之一般性授權，旨在使彼等可發行最多達一指定數目之股份而無須事先獲得股東大會上批准，以應付例如須在短期內完成需要發行股份之交易（例如收購事項）。董事會認為獲得該項一般性授權將對本公司有利。董事會茲表明現時並無計劃發行本公司任何新股份。

(2) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's branch share registrars, Abacus Share Registrars Limited, 10th Floor, Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for holding the meeting and any adjourned meeting.

(3) The register of members of the Company will be closed from 24th June, 1997 to 27th June, 1997, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend (which will be payable on or about 10th July, 1997) to be approved at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Abacus Share Registrars Limited, 10th Floor, Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong not later than 5:00 p.m. on 23rd June, 1997.

(4) Members are recommended to read the Appendix — Explanatory Statement to the Annual Report which contains important information concerning the ordinary resolution and special resolution set out in items 5 (2) and 5 (4) respectively in the above notice.

(5) Concerning the ordinary resolutions set out in items 5 (1) and 5 (3) in the above notice, the purpose of the general mandate to be conferred on the directors of the Company is to enable them to issue shares up to a specified number without having to first obtain the consent of shareholders in general meeting. The need for such an issue of shares could, for example, arise in the context of a transaction (such as an acquisition) which has to be completed speedily. The directors believe that it is in the interest of the Company if such a general mandate is granted to them. The directors wish to state that they presently do not have any immediate plans to issue any new shares in the Company.

香港聯合交易所有限公司(「聯交所」)對下列資料的內容概不負責，對其準確性或完整性亦不發表任何聲明。並明確表示概不就因下列全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") takes no responsibility for the contents of the following information, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the following information.

(I) 購回股份授權

以下說明文件乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)送達各股東有關授予本公司董事會(「董事會」)一般性授權(「購回股份授權」)購回本公司股本中每股面值0.10 港元之股份(「股份」)：

(A) 建議購回股份之授權

建議可購回之股份數目不得超過購回股份授權決議案通過之日，本公司已發行股份之10%。於一九九七年五月二十三日，即印製年報前最後可行日期，本公司已發行股份數目達709,307,000股。據此全面行使購回股份授權(即在購回股份授權決議案通過之日本公司已發行股份數目之10%)可讓本公司購回股份70,930,700股。

(B) 購回原因

董事會深信倘若股東授予董事會該一般性授權於市場上購回股份，可使本公司及其股東有最佳利益。該回購只會當董事會根據市場實況及資金安排，認為購回股份可增加本公司資產淨值及／或股份盈利時，才會進行。

(I) SHARE REPURCHASE MANDATE

The following is the Explanatory Statement required to be sent to shareholders under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") in connection with the granting to the directors of the Company (the "Directors") of a general mandate (the "Share Repurchase Mandate") to repurchase shares of HK$0.10 each in the capital of the Company ("Shares"):

(A) Proposed Share Repurchase Mandate

It is proposed that up to 10% of the Shares in issue at the date of the passing of the resolution to approve the Share Repurchase Mandate may be repurchased. As at 23rd May, 1997, being the latest practicable date prior to the printing of the annual report, the number of Shares in issue was 709,307,000 Shares. Accordingly, the exercise of the Share Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue at the date of the passing of the resolution to approve the Share Repurchase Mandate) would enable the Company to repurchase 70,930,700 Shares.

(B) Reason for Repurchase

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders of the Company to repurchase Shares in the market. A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will be to the benefit of the Company.

(C) 購回之資金
預期購回任何股份所需之資金，必須是依據百慕達法例及本公司組織章程大綱及細則所規定可合法用於該用途之資金。董事會建議根據股份購回授權而作出之股份購回將由本公司之內部資源或現有之銀行信貸支付。

倘若購回股份授權全面付諸實行，可能會對本公司之營運資金或負債情況有重大之不利影響（比對本公司於其截至一九九六年十二月三十一日止年度之經審核賬目所披露之狀況而言）。董事會祇在彼等認為行使該授權並不會導致此等重大不利影響之情形下才會行使是項權力。

(D) 股份之成交價
以下為股份在印製年報最後可行日期前十二個月內在聯交所之最高與最低成交價：

(C) Funding of Repurchase
Repurchases must be funded out of funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-Laws of the Company. The Directors propose that repurchases of Shares under the Share Repurchase Mandate would be financed from the Company's internal resources or existing banking facilities.

Whilst the Share Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited accounts for the year ended 31st December, 1996, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

(D) Shares Prices
The highest and lowest prices at which Shares have been traded on the Stock Exchange in each of the previous twelve months before the latest practicable date prior to the printing of the annual report are as follows:

		最高（港元） Highest (HK$)	最低（港元） Lowest (HK$)
一九九六年五月	May 1996	7.400	6.800
一九九六年六月	June 1996	7.600	6.400
一九九六年七月	July 1996	7.500	6.850
一九九六年八月	August 1996	6.950	5.850
一九九六年九月	September 1996	7.300	6.300
一九九六年十月	October 1996	8.450	6.550
一九九六年十一月	November 1996	8.300	6.600
一九九六年十二月	December 1996	7.450	6.500
一九九七年一月	January 1997	6.650	3.525
一九九七年二月	February 1997	5.650	4.250
一九九七年三月	March 1997	5.500	4.350
一九九七年四月	April 1997	5.150	3.950
一九九七年五月（至一九九七年五月二十三日*）	May 1997 (up to 23rd May, 1997*)	5.250	4.225

* 本年報印製前最後可行日期

* the latest practicable date prior to the printing of the annual report

(E) 一般資料

若股東批准購回股份授權予董事會，董事會或(在董事會作出一切合理查詢後確知)其任何關連人士現概無有意將股份售予本公司。

董事會已向聯交所保證將根據上市規則，百慕達法例及公司組織章程大綱及細則，按照購回股份授權而行使本公司購回股份之權力。

董事會並不察覺如根據購回股份授權購回股份後會根據香港公司收購及合併守則而引起任何後果。

倘若股東批准購回股份授權，本公司之有關連人士(按上市規則所界定者)現時並無表示有意將股份售予本公司，而上述人士亦沒有保證不會將任何該股份售予本公司。

過去六個月內，於一九九七年三月二十四日本公司以合共11,896,158.00港元之購買價(最高及最低之股份購回價分別為每股4.50港元及4.35港元)在聯交所購回本公司每股面值0.10港元之股份共2,676,000股，所有購回之股份均已註銷。

(E) General Information

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of Directors who have a present intention to sell Shares to the Company in the event that the Share Repurchase Mandate is granted by the shareholders.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company.

The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any repurchases made pursuant to the Share Repurchase Mandate.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Share Repurchase Mandate is granted by the shareholders.

During the last six months on 24th March, 1997, the Company had repurchased a total of 2,676,000 Shares of HK$0.10 each of the Company at an aggregate purchase cost of HK$11,896,158.00 (the highest and lowest prices of the Shares purchased were HK$4.50 and HK$4.35 per share respectively) on the Stock Exchange, all of which had been cancelled.

(II) 更改本公司細則

為使本公司繼續符合中央結算及交收系統證券之資格及確保本公司之細則符合上市規則，董事會提議把本公司的細則作出如載於年報所列股東週年大會通告中特別決議案第5(4)項之修訂。

(II) AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

In order to continue the eligibility of the securities of the Company in the Central Clearing and Settlement System and to ensure the compliance of the Bye-Laws of the Company with the Listing Rules, the Directors of the Company propose to amend the Bye-Laws of the Company in the manner set out in the special resolution under item 5(4) of the Notice of Annual General Meeting as contained in the annual report.

GIORDANO